BEFORE THE SCIENTIFIC AND MEDICAL FACILITIES WORKING GROUP OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE ORGANIZED PURSUANT TO THE CALIFORNIA STEM CELL RESEARCH AND CURES ACT

REGULAR MEETING

LOCATION: CALIFORNIA INSTITUTE FOR REGENERATIVE

MEDICINE

210 KING STREET

SAN FRANCISCO, CALIFORNIA

DATE: OCTOBER 2, 2006

10 A.M.

REPORTER: BETH C. DRAIN, CSR

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1	SAN FRANCISCO, CALIFORNIA; MONDAY, OCTOBER 2, 2006	
2	10 A.M.	
3		
4	CHAIRMAN DOMS: GOOD MORNING, EVERYONE. NICE	
5	TO SEE ALL OF YOU HERE. LET ME WELCOME YOU TO OUR	
6	SECOND MEETING OF THE FACILITIES WORKING GROUP FOR	
7	CIRM. WE HAD A MEETING PROBABLY ABOUT A YEAR AGO, AND	
8	NOT A LOT HAS HAPPENED SINCE THEN TILL ABOUT THE LAST	
9	COUPLE MONTHS. AND NOW WITH A LITTLE MONEY IN OUR	
10	POCKET, WE HAVE AN EXCITING ROAD AHEAD OF US. I THINK	
11	ALL OF US ARE REALLY LOOKING FORWARD TO THAT.	
12	I'D LIKE TO THANK ALL THE MEMBERS OF THE	
13	WORKING GROUP FOR BEING HERE AND MEMBERS OF THE PUBLIC	
14	FOR PARTICIPATING IN THE MEETING TO REALLY GET US	
15	GOING.	
16	PAT, WOULD YOU I WANT TO MENTION ONE OTHER	
17	ISSUE. ONE OF OUR MEMBERS IS NOT HERE. WE MADE IT	
18	WAS AN OVERSIGHT. IT WILL NOT HAPPEN AGAIN. TODAY IS	
19	THE SECOND DAY OF YOM KIPPUR. WE SORT OF BLEW IT IN	
20	THAT REGARD, AND WE'RE NOW VERY SENSITIVE TO THAT. IT	
21	WON'T HAPPEN AGAIN AS IT RELATES TO HOLIDAYS OF THAT	
22	KIND. SO WE APOLOGIZE TO THOSE PEOPLE WHO ARE NOT	
23	HERE.	
24	PAT, WOULD YOU PLEASE CALL THE ROLL.	
25	MS. BECKER: MARCY FEIT. SHERRY LANSING.	

- 1 JOAN SAMUELSON. DAVID SERRANO-SEWELL.
- 2 MR. SERRANO-SEWELL: PRESENT.
- 3 MS. BECKER: JEFF SHEEHY.
- 4 MR. SHEEHY: HERE.
- 5 MS. BECKER: JANET WRIGHT.
- 6 DR. WRIGHT: HERE.
- 7 MS. BECKER: ROBERT KLEIN. RUSTY DOMS.
- 8 CHAIRMAN DOMS: HERE.
- 9 MS. BECKER: DEBORAH HYSEN.
- MS. HYSEN: HERE.
- 11 MS. BECKER: ED KASHIAN.
- MR. KASHIAN: HERE.
- MS. BECKER: DAVID LICHTENGER.
- 14 CHAIRMAN DOMS: WE NEED TO PICK UP THE
- 15 PARTICIPATION HERE, MAKE SURE WE HAVE A QUORUM. WE'LL
- 16 GET TO THAT. ACTION ITEMS ARE THIS AFTERNOON.
- 17 WE HAVE TWO IMPORTANT ITEMS FOR OUR MEETING
- 18 TODAY. THE FIRST AND MOST IMPORTANT IS WE NEED TO
- 19 CONSIDER THE CRITERIA AND PROCEDURES FOR THE REQUESTS
- 20 FOR APPLICATIONS, THE RFA'S, THAT WILL BE GOING OUT
- 21 THAT CIRM WILL SHORTLY SUBMIT FOR SHARED RESEARCH
- 22 LABORATORY GRANTS THAT WILL PROVIDE UP TO 15
- 23 INSTITUTIONS WITH LABORATORIES FOR CULTURING HUMAN
- 24 EMBRYONIC STEM CELLS THAT ARE OUTSIDE THE FEDERAL
- 25 GUIDELINES.

- 1 THE SECOND ITEM IS A PANEL IN WHICH WE HAVE
- 2 INVITED EXPERTS FROM SEVERAL RESEARCH INSTITUTIONS IN
- 3 CALIFORNIA TO TELL US HOW THEIR INSTITUTIONS FINANCE,
- 4 DESIGN, AND CONSTRUCT MAJOR LABORATORY FACILITIES.
- 5 SOME OF OUR SPEAKERS ARE ON A TIGHT SCHEDULE
- 6 TODAY, SO WE'RE GOING TO START WITH THE PANEL. WE'LL
- 7 HAVE LUNCH AND THEN PROCEED TO CONSIDERATION OF WHAT WE
- 8 NEED TO DO WITH THE RFA'S THIS AFTERNOON.
- 9 WE'VE GOT A VERY FULL AND BUSY AGENDA, SO
- 10 LET'S GET STARTED. I'M GOING TO TURN IT OVER TO ZACH,
- 11 AND HE'LL INTRODUCE OUR PANEL.
- 12 DR. HALL: SO OUR INTENT WITH THE PANEL WAS
- 13 TO TRY TO LEARN HOW RESEARCH INSTITUTIONS IN CALIFORNIA
- 14 GO ABOUT PLANNING, FINANCING, DESIGNING, AND
- 15 CONSTRUCTING RESEARCH FACILITIES. AS EVERYBODY KNOWS,
- WE ARE EMPOWERED BY PROPOSITION 71 TO SPEND UP TO 300
- 17 MILLION FOR RESEARCH FACILITIES. AND THAT'S AN
- 18 IMPORTANT RESPONSIBILITY THAT WE HAVE. AND SO AS WE
- 19 BEGIN OUR PROCESS, AND I'LL TALK A LITTLE BIT LATER
- 20 ABOUT WHAT WE SEE IN THE FUTURE, WE THOUGHT IT WOULD BE
- 21 USEFUL TO ACTUALLY HEAR FROM REPRESENTATIVES OF SEVERAL
- 22 DIFFERENT KINDS OF INSTITUTIONS HOW THAT'S DONE.
- 23 SO WE HAVE ASKED SOMEONE FROM THE UC SYSTEM,
- 24 FROM UC IRVINE, REBEKHA GLADSON. WE HAVE ASKED CURT
- 25 WILLIAMS FROM USC, WHO'S HERE, AND ALSO WE'VE ASKED JIM

- 1 KOVACH FROM THE BUCK CENTER AS REPRESENTING A SMALL
- 2 INDEPENDENT RESEARCH INSTITUTION. SO WE ARE INTERESTED
- 3 IN FINDING HOW UC CONSTRUCTS ITS BUILDINGS, HOW A
- 4 REPRESENTATIVE NON-UC PRIVATE UNIVERSITY DOES IT, ALSO
- 5 A SMALL INSTITUTION.
- 6 SO LET ME INTRODUCE THE SPEAKERS AND GO
- 7 AHEAD, AND I WANT TO SAY I'M REALLY GRATEFUL TO THE
- 8 SPEAKERS FOR TAKING TIME OUT OF THEIR BUSY SCHEDULES TO
- 9 COME ON RATHER SHORT NOTICE. I'M PARTICULARLY GRATEFUL
- 10 TO OUR FIRST SPEAKER, JIM KOVACH, WHO IS GOING TO BE
- 11 LEAVING US SHORTLY FOR A MAJOR CONFERENCE OF, I GUESS,
- 12 BUSINESS MANAGERS FOR INDEPENDENT RESEARCH
- 13 INSTITUTIONS. SO HE WILL REPRESENT THEM VERY WELL.
- 14 JIM IS BOTH AN M.D. AND ALSO HAS A LAW
- 15 DEGREE. HE IS THE PRESIDENT AND CHIEF OPERATING
- 16 OFFICER OF THE BUCK INSTITUTE FOR AGING RESEARCH. HE
- 17 HAS HAD EXPERIENCE IN THE LAW FIRM OF COOLEY GODWARD
- 18 DOWN ON THE PENINSULA. HE MANAGED THE OFFICE OF
- 19 TECHNOLOGY MANAGEMENT AT CASE WESTERN SCHOOL OF
- 20 MEDICINE IN CLEVELAND, WAS EXECUTIVE VICE PRESIDENT AND
- 21 CEO OF ATHERSYS BEFORE TAKING HIS PRESENT POSITION.
- 22 AND SOMEHOW IN THE MIDST OF ALL THAT, HE FOUND TIME TO
- 23 PLAY MIDDLE LINEBACKER FOR THE SAN FRANCISCO 49ERS AND
- 24 THE NEW ORLEANS SAINTS.
- 25 NOW WE WELCOME HIM HERE TODAY AND LOOK

- 1 FORWARD TO HEARING ABOUT SMALL RESEARCH INSTITUTIONS.
- 2 JIM, THANKS SO MUCH FOR BEING HERE.
- 3 DR. KOVACH: WELL, MY THANKS TO ZACH AND THE
- 4 ORGANIZERS FOR ALLOWING ME TO REPRESENT INDEPENDENT
- 5 RESEARCH INSTITUTES IN CALIFORNIA. THE GOALS OF MY
- 6 PRESENTATION TODAY, AS WELL AS QUESTION AND ANSWER
- 7 AFTERWARD, ARE TO DESCRIBE SOME OF THE GENERAL
- 8 ATTRIBUTES OF THE CALIFORNIA INDEPENDENT RESEARCH
- 9 INSTITUTES.
- 10 IT'S INTERESTING TO ME THAT THERE ARE
- 11 DEFINITE TRENDS AND PRINCIPLES THAT SMALLER RESEARCH
- 12 INSTITUTES DO FOLLOW. I'D ALSO LIKE TO TALK IN GENERAL
- 13 ABOUT HOW WE COLLECTIVELY PLAN, FUND, AND CONSTRUCT THE
- 14 INFRASTRUCTURE THAT WE HAVE. AND I'LL SPEAK GENERALLY
- 15 ON INTEGRATION OF THE STRATEGIC PLANNING, SOME OF THE
- 16 ACTIVITIES THAT ARE ONGOING IN OUR GROUPS, AND THE
- 17 TIMELINES.
- 18 SO NATIONALLY THERE ARE APPROXIMATELY 90
- 19 INDEPENDENT NOT-FOR-PROFIT RESEARCH INSTITUTES
- 20 COMPRISING THE AIRI, THE ASSOCIATION OF INDEPENDENT
- 21 RESEARCH INSTITUTES. I'M HEADED FOR THE ANNUAL MEETING
- 22 TODAY ACTUALLY WHERE WE'LL GET TOGETHER AND REALLY
- 23 SHARE A LOT OF INFORMATION, SHARE STRATEGIES. LIKE I
- 24 SAID, IT'S A VERY INTERESTING GROUP IN THE SENSE THAT
- 25 WE HAVE DIFFERENT AREAS OF RESEARCH, BUT WE REALLY

- 1 COLLABORATE TO A HIGH DEGREE IN TERMS OF HUMAN
- 2 RESOURCES, CONSTRUCTION, FACILITIES DEVELOPMENT,
- 3 OPERATIONAL ACTIVITIES.
- 4 I THINK IT'S SAFE TO SAY THAT ALL OF US
- 5 STRIVE TO APPLY SUCCESSFULLY FOR NIH FUNDING. THE MEAN
- 6 OF AIRI GROUPS NIH FUNDING COMPRISE ABOUT 78 PERCENT OF
- 7 OUR BUDGET. THAT LEAVES THE OTHER 22 PERCENT ON
- 8 AVERAGE BETWEEN FOUNDATION GRANTS, PHILANTHROPIC
- 9 EFFORTS, AND LICENSING AND TECHNOLOGY TRANSFER.
- 10 OUR PRIMARY MISSION IS HIGHLY FOCUSED ON
- 11 RESEARCH, SO IF YOU LOOK AT HOW INDEPENDENT RESEARCH
- 12 INSTITUTES GET STARTED, THERE'S SOME ACTIVITY OR EVENT
- 13 THAT CAUSES THE CREATION OF RESEARCH IN A SPECIFIC
- 14 AREA. OVER TIME IT'S VERY TYPICAL FOR EDUCATIONAL AND
- 15 SERVICE TO BECOME IMPORTANT AND REPRESENTED IN SPECIFIC
- 16 PROGRAMS. BUT MUCH OF OUR EDUCATION FOCUSES ON
- 17 GRADUATE AND POSTDOCTORAL STUDENTS. IT'S VERY RARE, I
- 18 DON'T THINK THERE'S A CASE WHERE INDEPENDENT RESEARCH
- 19 INSTITUTES HAVE UNDERGRADUATES. SOMETHING THAT WE
- THINK OF A LOT IN WASHINGTON, FOR EXAMPLE, MANY GRANTS
- 21 AND PROGRAMS REALLY, THROUGH NO THOUGHT OR HARM OR
- 22 INTENT OF LEGISLATORS, ARE WRITTEN SO AS TO EXCLUDE OR
- 23 REQUIRE UNDERGRADUATE DEGREES TO BE GIVEN TO THE
- 24 INSTITUTIONS.
- 25 SO IT'S AN EXAMPLE OF HOW INDEPENDENT

- 1 RESEARCH INSTITUTES HAVE TO REALLY KIND OF KEEP THEIR
- 2 EYE IN TERMS OF THE LANGUAGE AND THE FACT THAT,
- 3 ALTHOUGH THEY'RE DOING RESEARCH MUCH LIKE THE MAJOR
- 4 ACADEMIC CENTERS, THERE ARE DIFFERENCES. AND ONE OF
- 5 THEM IS THAT WE TYPICALLY DON'T TRAIN UNDERGRADUATE
- 6 STUDENTS.
- 7 AND, IN GENERAL, THE BUDGETS ARE RELATIVELY
- 8 SMALL COMPARED TO MAJOR UNIVERSITIES, TYPICALLY RANGING
- 9 FROM UNDER A MILLION DOLLARS A YEAR TO TENS OF MILLIONS
- 10 OF DOLLARS A YEAR.
- 11 I'VE LISTED HERE THE CALIFORNIA INDEPENDENT
- 12 RESEARCH INSTITUTES. I'M JUST GOING TO LET YOU LOOK AT
- 13 THE NAMES. I HAVE A HANDOUT AS WELL. THEY'RE LISTED
- 14 ALPHABETICALLY, BUT YOU WILL NOTE THE ARRAY OF
- 15 DIFFERENT DISEASE INDICATIONS THAT ARE COVERED. IT'S
- 16 INTERESTING, AND I'LL TALK MORE ABOUT IT LATER, BUT AS
- 17 WE BUILD INFRASTRUCTURE, SINCE WE DON'T HAVE
- 18 DEPARTMENTS LIKE MANY ACADEMIC MEDICAL CENTERS, WE TEND
- 19 TO BUILD THE INFRASTRUCTURE TO EITHER RELATE DIRECTLY
- 20 TO A DISEASE PROCESS OR EVEN TO TECHNOLOGIES. AND I
- 21 THINK THAT THIS HAS IMPORTANT RAMIFICATIONS FOR STEM
- 22 CELL GRANTS THAT WE CAN TALK ABOUT.
- 23 SO ONE LAST SLIDE ON THE GENERAL ATTRIBUTES
- 24 OF CAL AIRI, SO THERE'S A GROUP, AGAIN 23 INSTITUTES,
- 25 AS A SUBSET OF AIRI MEET ON A VERY FREQUENT BASIS. WE

- 1 GENERALLY HAVE SMALLER ENDOWMENTS, WHICH MAKES MANAGING
- THE INSTITUTE SOMEWHAT MORE CHALLENGING IN THE SENSE
- 3 THAT THERE'S LESS ESSENTIALLY REVENUE STREAMS, THERE'S
- 4 LESS PLACES TO GO TO TO BASICALLY DEAL WITH THE UPS AND
- 5 DOWNS, FOR EXAMPLE, THAT WE'RE EXPERIENCING NOW WITH
- 6 NIH.
- 7 SINCE THERE'S LITTLE OR NO STATE SUPPORT FOR
- 8 CONSTRUCTING FACILITIES, WE DON'T HAVE A LINE ITEM FOR
- 9 BUILDINGS ON OUR BUDGET. IN GENERAL, OUR INDIRECT
- 10 RATES ARE HIGHER THAN STATE INSTITUTIONS, RANGING --
- 11 IT'S VERY TYPICAL FOR AN INDIRECT RATE OF AN AIRI
- 12 INSTITUTE TO BE 75 PERCENT OR SO. WE HAVE LESS COMPLEX
- 13 ADMINISTRATIVE STRUCTURES. WE LIKE TO THINK THAT WE
- 14 CAN MOVE QUICKLY. IT'S INTERESTING, THOUGH, THAT IF
- 15 YOU'RE INTENT ON BEING A MAJOR PLAYER IN CONDUCTING
- 16 RESEARCH AND INTERFACING WITH NIH, THERE ARE CERTAIN
- 17 ACCOUNTING AND GOVERNMENTAL REGULATION COMPLIANCE
- 18 OFFICES THAT HAVE TO BE IN PLACE. AND SO EVEN THOUGH
- 19 THERE'S LESS COMPLEXITY, WE HAVE, EARLY IN SOME OF OUR
- 20 CAREERS OR LIFE SPANS, WE HAVE ADMINISTRATIVE CORES
- 21 THAT BASICALLY PEOPLE LIKE ME STRUGGLE TO KEEP ON A
- 22 COST BASIS IN SYNCH WITH THE RESEARCH BECAUSE YOU HAVE
- 23 CERTAIN INFLECTION POINTS IN YOUR GROWTH WHERE YOU
- 24 CAN'T JUST HIRE ONE ACCOUNTANT OR ONE CONTRACTS
- 25 ADMINISTRATOR FOR AN ENTIRE TEAM OF PRINCIPAL

- 1 INVESTIGATORS.
- 2 SO THE LACK OF THE ENDOWMENTS AND IN SOME
- 3 CASES OUR SHORTER TIME IN BUSINESS MAKES IT A LITTLE
- 4 BIT MORE DIFFICULT FOR US TO GO OUT AND FINANCE OUR
- 5 FACILITIES BECAUSE OF BOND RATINGS AND LACK OF HISTORY
- 6 AND ESSENTIALLY BALANCE SHEET ISSUES. THERE'S LESS
- 7 ABILITY TO USE CAMPAIGNS TO GO OUT AND FINANCE
- 8 BUILDINGS. MANY OF US DO NOT HAVE GRATEFUL PATIENTS,
- 9 SOME DO. WE CERTAINLY DON'T HAVE ALUMNI OR A HISTORY
- 10 OF YEARS AND DECADES TO CREATING A PHILANTHROPIC
- 11 CONNECTION. AND THAT ACTUALLY IS AN ISSUE WHEN WE
- 12 THINK OF GOING OUT AND RAISING A CAPITAL CAMPAIGN.
- 13 TYPICALLY THERE'S THE CAPITAL CAMPAIGN AND THERE'S YOUR
- 14 ANNUAL FUND. AND SO INDEPENDENT RESEARCH INSTITUTES,
- 15 SINCE THEY MANY TIMES DON'T HAVE THE ANNUAL CORE BASIS,
- 16 IT MAKES IT A LITTLE BIT TOUGHER TO LOOK AT, NOT SO
- 17 MUCH FINANCING A CAMPAIGN, BUT KEEPING IT RUNNING ONCE
- 18 IT'S BUILT.
- 19 AND THIS PLAYS OUT IN TERMS OF THE MODELING
- 20 WE DO ON A STRATEGIC PLANNING BASIS. THERE'S MORE
- 21 VARIABILITY. I LIKE TO CALL IT WHAT IF YOU BUILD A
- 22 BUILDING AND NOBODY CAME BECAUSE OF THE FACT THAT MAJOR
- 23 INFRASTRUCTURE MEANS THAT YOU HAVE TO GO OUT AND COUPLE
- 24 THAT WITH A RECRUITING PACKAGE JUST TO BRING
- 25 RESEARCHERS IN.

- 1 SO IN TERMS OF CHALLENGES AND OPPORTUNITY, WE
- 2 ALL LIKE TO LOOK AT CHALLENGES AS OPPORTUNITIES IN
- 3 DISGUISE. IN GENERAL, LOWER PURCHASING POWER GIVES US
- 4 THE OPPORTUNITY TO WORK TOGETHER AND CREATE POOLS, AS
- 5 WE'VE DONE AT CAL AIRI, FOR INSURANCE AND REAGENTS. NO
- 6 ALUMNI OR GRATEFUL PATIENT ALLOWS US TO REALLY USE A
- 7 LOT OF CREATIVITY. WE GET A LOT OF SUPPORT FROM OUR
- 8 BOARDS OF TRUSTEES IN TERMS OF CREATING NEW
- 9 CONNECTIONS. OF COLLABORATING AND FOCUSING ON OUR
- 10 STRENGTHS, AND THEN PARTNERING FOR OTHER ACTIVITIES.
- 11 AND WE ALSO CAN DO -- THERE'S LESS
- 12 CONSTITUENTS, SO THE DOWNSIDE, I GUESS, IF THERE IS
- ONE, TO HAVING A LOT OF COMPLEXITY ON A UNIVERSITY IS
- 14 THAT SOMETIMES IT'S DIFFICULT TO GET THINGS DONE. AND
- 15 WE JUST DON'T HAVE THAT HIERARCHICAL STRUCTURE, SO WE
- 16 CAN VET AND TALK WITH OUR FACULTY IN A VERY, VERY
- 17 DIRECT WAY ABOUT THE DIFFERENT DIRECTIONS WE MIGHT GO.
- 18 IN TERMS OF PLANNING, DESIGNING,
- 19 CONSTRUCTION, AGAIN, I THINK THAT WE CAN ACT QUICKLY.
- 20 AND JUST DRAW YOUR ATTENTION TO IN MARCH 2006, THREE OF
- 21 THE FOUR PARTNERS THAT WERE IN THE CONSORTIUM THAT WAS
- 22 ANNOUNCED RELATING TO STEM CELL FACILITIES WERE AIRI
- 23 INSTITUTES, SCRIPPS, SALK, AND BURNHAM. THE OTHER
- 24 MEMBER OF THAT CONSORTIUM IS UCSD. AND I KNOW FROM
- 25 TALKING TO COLLEAGUES THAT THERE'S A VERY ACTIVE --

- 1 THERE IS A REASON FOR THAT. AND IT'S LIKE THE
- 2 INDEPENDENT RESEARCH INSTITUTES STRIVE TO BE LEADERS,
- 3 AND BASICALLY YOU GET AN AMPLIFICATION OF YOUR EFFECT
- 4 ON THE MARKET IF YOU CAN GO OUT EARLY AND TRY TO MAKE
- 5 PEOPLE OR INSTITUTIONS FOLLOW YOUR LEAD.
- 6 WE TEND TO UPDATE OUR PLANS ON A VERY
- 7 STRATEGIC BASIS. THAT MEANS WE TRY TO BE OPPORTUNISTIC
- 8 AND ARE WILLING TO ACTUALLY TRY NEW THINGS AND TRY
- 9 DIFFERENT APPROACHES THAT REFLECT THE FACT THAT
- 10 STRATEGIC PLANNING IS MORE OF AN ONGOING AND DYNAMIC
- 11 PROCESS AT AN INDEPENDENT.
- 12 AND IF WE WERE TO, IN THE AREA OF THE STEM
- 13 CELL RESEARCH, FOR EXAMPLE, IF AN INSTITUTE WAS TO GO
- 14 IN A PARTICULAR DIRECTION, BASICALLY YOU'RE TALKING
- ABOUT DISCUSSIONS WITH A SMALL GROUP OF PEOPLE, THE
- 16 RESEARCH FACULTY AND THEN THE BOARD OF TRUSTEES. AND
- 17 LEVERAGE IS A VERY OPERATIVE WORD. WE THINK A LOT
- 18 ABOUT HOW WE CAN USE NIH FUNDING TO LEVER, OR THE
- 19 ENDOWMENT DOLLARS WE HAVE, HOW TO USE PHILANTHROPIC
- 20 DOLLARS TO LEVER GRANTS FROM FOUNDATIONS WE MIGHT GET.
- 21 AND I THINK THAT THAT'S IMPORTANT BECAUSE OF THE FACT
- 22 THAT WITH A FIXED POOL OF MONEY, I THINK THAT ONE OF
- 23 THE GOALS OBVIOUSLY OF CIRM IS TO MAKE THAT CAPITAL GO
- 24 AS FAR AS POSSIBLE.
- 25 SO THE PLANNING AND DESIGN AND CONSTRUCTION

- 1 IN AIRI INSTITUTIONS TYPICALLY INVOLVES IDENTIFYING
- 2 PROGRAMS AND THEN BUILDING OUT FACILITIES AROUND THOSE
- 3 PROGRAMS AS OPPOSED TO ACADEMIC CENTERS WHERE DIFFERENT
- 4 CLINICAL DEPARTMENTS THAT ARE WELL ESTABLISHED AND HAVE
- 5 TRADITIONAL INTERACTIONS WITH PATIENT GROUPS DESIGNING
- OR KIND OF BEING THE LEADERS IN TERMS OF SETTING THE
- 7 STRATEGY. FOR EXAMPLE, IN TERMS OF STEM CELLS, WAYS TO
- 8 THINK ABOUT -- SO I'LL USE THE BUCK INSTITUTE AS AN
- 9 EXAMPLE HERE FOR JUST A BIT. WE THINK ABOUT STEM CELL
- 10 EXHAUSTION. AS AGING POPULATIONS GROW OLDER, IT'S WELL
- 11 DOCUMENTED THAT IN CERTAIN TISSUES STEM CELL
- 12 POPULATIONS ARE TAKEN OUT OF THE SYSTEM. THEY'RE
- 13 DEPLETED. AND THAT'S A BIOLOGICAL ISSUE FOR US. AND
- 14 SO SINCE WE DON'T HAVE A DEPARTMENT OF ORTHOPEDICS OR A
- 15 DEPARTMENT OF NEUROLOGY, WE TEND TO THINK OF THAT AS
- 16 THE PROCESS ITSELF, AND SO CAN THINK ABOUT BUILDING OUT
- 17 SPACE ACCORDING TO TECHNOLOGIES OR ACCORDING TO THESE
- 18 BIOLOGICAL PROCESSES. AND THAT'S NEITHER GOOD NOR BAD.
- 19 I THINK THAT IT WOULD LIKELY HAVE RAMIFICATIONS TO
- 20 FACILITIES GRANTS THAT WE CAN PERHAPS DISCUSS.
- THE ACCOUNTING IS ALSO DEFINITELY COMPLEX;
- 22 BUT BECAUSE THERE'S NOT ENGRAINED SYSTEMS OF CREDITS
- 23 AND CHARGE-BACKS THAT SOMETIMES PEOPLE IN THE ACADEMIC
- 24 CONTEXT WHERE A FACULTY MEMBER MAY HAVE A JOINT
- 25 APPOINTMENT IN DIFFERENT DEPARTMENTS, IT'S SOMEWHAT

- 1 SIMILAR. WE OURSELVES FEEL VERY COMFORTABLE THAT WE'LL
- 2 BE ABLE TO USE COST ACCOUNTING AND CONDUCT ACTIVITIES
- 3 IN A WAY TO WHERE WE TRACK USAGE OF CIRM MONEY AND
- 4 ENGAGE IN ACTIVITIES THAT WE'LL CERTAINLY STRIVE, LIKE
- 5 OTHER INSTITUTES, TO INCORPORATE AND PARTITION CIRM
- 6 SPACE AS MUCH AS GEOGRAPHICALLY OR PHYSICALLY POSSIBLE.
- 7 BUT I DON'T THINK ANYONE HAS EXPRESSED UNDUE CONCERN OR
- 8 A GREAT DEAL OF CONCERN THAT FROM AN ACCOUNTING
- 9 PERSPECTIVE THAT THE CIRM MONEY WOULD HAVE ANY NEGATIVE
- 10 EFFECT ON OUR ACCOUNTING.
- 11 AND I SAY THAT KNOWING THAT THERE HAVE BEEN
- 12 INSTANCES IN MAJOR ACADEMIC CENTERS WHERE THE
- ACCOUNTING ISSUE HAS BEEN VERY, VERY SIGNIFICANT, BUT I
- 14 THINK, IN GENERAL, INDEPENDENT RESEARCH INSTITUTES ARE
- 15 PREPARED TO MOVE FORWARD AGGRESSIVELY AND DEAL WITH THE
- 16 ACCOUNTING ISSUES AS THEY ARISE.
- 17 AND I TOUCHED ON THE BULLETS HERE. THE
- 18 SECOND BULLET, JUST TO OFFER MY OPINION AND MY BELIEF,
- 19 THAT INDEPENDENT RESEARCH INSTITUTES ARE VERY
- 20 INTERESTED IN WHAT I'LL CALL CO-LOCATING STEM CELL
- 21 ACTIVITIES ON THE RESEARCH SIDE AND ON THE BUSINESS
- 22 SIDE. I THINK IT'S PART IN RECOGNITION OF BEING
- 23 OPPORTUNISTIC AND RECOGNIZING THAT WE GAIN STRENGTH IN
- 24 APPLICATIONS BY PARTNERING WITH DIFFERENT
- 25 CONSTITUENCIES, SO WE'RE LOOKING TO -- INSTITUTIONS

- 1 LIKE THE BUCK ARE LOOKING TO PARTNER WITH OTHER AIRI
- 2 MEMBERS WITH MAJOR ACADEMIC CENTERS, BUT WITH COMPANIES
- 3 AS WELL.
- 4 THE REALITY IS FROM A PROCESS PERSPECTIVE,
- 5 IT'S MY BELIEF AND OTHERS THAT YOU NEED THAT SORT OF
- 6 ENVIRONMENT. IT'S JUST VERY, VERY IMPORTANT TO
- 7 UNDERSTAND THE COMPLEXITY OF STEM CELLS AND TO
- 8 UNDERSTAND THE LOGIC OF HAVING RESEARCHERS CONTINUE TO
- 9 WORK ON THE BIOLOGY OF STEM CELLS, BUT THEN TO HAVE
- 10 WHAT I CALL SHOULDER TO SHOULDER OTHER SCIENTISTS
- 11 LOOKING AT SOME OF THE ISSUES RELATING TO
- 12 MANUFACTURING, ISOLATING, MAINTAINING, EXPANDING STEM
- 13 CELL POPULATIONS. SO I THINK THAT TO THE EXTENT CIRM
- 14 IS THINKING ABOUT, AND I KNOW FROM READING THE PRIOR
- 15 TESTIMONY, THERE HAS BEEN A LOT OF THOUGHT, I THINK
- 16 THAT IT WOULD BE LOGICAL TO BELIEVE THAT THERE'D BE A
- 17 LOT OF INTEREST FROM INDEPENDENT RESEARCH INSTITUTES IN
- 18 TAKING PART IN THAT DIALOGUE. AND THEN I THINK
- 19 ADMINISTRATIVELY THAT THERE'S NO -- THERE'S NO PROBLEM,
- 20 OR THERE WOULD BE NO NEGATIVE -- THERE CERTAINLY IS --
- 21 WE'RE GOING TO HAVE TO HAVE MECHANISMS TO CAREFULLY
- 22 MONITOR THE ACTIVITIES. BUT, AGAIN, BECAUSE WE HAVE
- 23 SUCH A DIRECT LINE, VISUAL LINE, TO OUR RESEARCHERS IN
- 24 THE SPACE THAT WE OVERSEE, I SEE THAT AS SOMETHING THAT
- 25 IS VERY DOABLE.

- 1 SO IN CLOSING AND TAKING QUESTIONS HERE, STEM
- 2 CELL BIOLOGY IS CERTAINLY A PARADIGM SHIFT, BUT IT
- 3 WOULD SEEM TO ME THAT CIRM WOULD WANT TO MAKE THE MONEY
- 4 THAT IS GOING TO BE DESIGNED FOR FACILITIES TO TRY TO
- 5 GO AS FAR, FAR AS POSSIBLE AND TO SEEK LEVERAGING FROM
- 6 FOUNDATIONS AND BUSINESSES AND TO RECOGNIZE THAT IN
- 7 TERMS OF COMMITMENTS OF THE PLACES LIKE THE BUCK
- 8 INSTITUTE, OUR ABSOLUTE COMMITMENT TO THE STEM CELL
- 9 AREA.
- 10 SO, AGAIN, JUST TO TRY TO SPEAK ON BEHALF OF
- 11 INSTITUTIONS OUT THERE, WE HAVE ONE EMBRYONIC STEM CELL
- 12 RESEARCHER OUT OF 15 AT THE BUCK INSTITUTE. AND WE
- 13 HAVE ONE RESEARCHER THAT IS A WORLD EXPERT IN LOOKING
- 14 AT NEUROGENESIS OF ENDOGENOUS STEM CELLS. AS WE THINK
- ABOUT OUR EXPANSION, WE THINK, WELL, WHAT AREA DO WE
- 16 WANT TO GO IN? SO I CAN DESCRIBE IT AS LITERALLY WE'RE
- 17 VERY INTERESTED IN STEM CELLS. IT'S CERTAINLY -- IF
- 18 YOU LOOK AT AGING, THERE'S A LOT OF DIFFERENT WAYS WE
- 19 COULD GO. WE FEEL LIKE WE HAVE A STRONG COMMITMENT,
- 20 BUT CERTAINLY ON AN ABSOLUTE BASIS, IT IS NOWHERE NEAR
- 21 THE ABSOLUTE COMMITMENTS THAT SOME OF THE MAJOR
- 22 ACADEMICS WOULD HAVE MADE. BUT CERTAINLY THE
- 23 INDEPENDENT RESEARCH INSTITUTES STAND READY AND WILLING
- 24 AND ABLE TO REALLY BRING OUR COLLECTIVE INFRASTRUCTURES
- TO BEAR BECAUSE STEM CELLS ARE SUCH A POWERFUL AREA.

- 1 AND I THINK YOU DO HAVE THIS ENTREPRENEURIAL SPIRIT
- 2 WITHIN INDEPENDENT RESEARCH INSTITUTES THAT MAKES THEM
- 3 VERY EXCITED ABOUT THE PROSPECTS.
- 4 SO I HAVE NOT TALKED -- I FOUND -- IT'S
- 5 DIFFICULT TO REALLY SPECIFICALLY COMMENT ON SPECIFIC
- 6 PLANS OF OTHER INSTITUTIONS. I WANTED TO SPEND MY TIME
- 7 AS MUCH AS POSSIBLE TALKING ABOUT THE GENERAL
- 8 ATTRIBUTES OF ALL OF OUR INSTITUTIONS AS A GROUP. BUT
- 9 PERHAPS IN THE DISCUSSION, WE CAN TALK MORE ABOUT
- 10 EQUIPMENT ISSUES THAT WE THINK A LOT ABOUT, THE
- 11 PROSPECT OF ACTUALLY LEASING SPACE ON A CAMPUS OF A
- 12 NONPROFIT, AND THAT WOULD BE A NEW ACTIVITY; BUT ON THE
- 13 OTHER HAND, THE STRONG NEED TO HAVE TRANSLATIONAL
- 14 ACTIVITIES. WE NEED THESE PEOPLE WORKING TOGETHER.
- AND THEN IN CLOSING AS WELL, JUST TO
- 16 EMPHASIZE THAT I THINK IT WOULD BE A WIN-WIN IF THERE
- 17 WERE A WAY FOR CIRM TO STRUCTURE GRANTS TO ALLOW THE
- 18 INDEPENDENTS TO MAXIMIZE THE LEVERAGE FROM THE GRANT
- 19 ITSELF BECAUSE -- AND I'M NOT SURE EXACTLY HOW TO DO
- 20 THAT. I'M NOT AN EXPERT IN CONSTRUCTION FINANCING, BUT
- I DO KNOW THAT AS WE SPEAK TO OUR BANKERS, THEY LIKE
- 22 THE FACT THAT WE ARE -- THAT WE HAVE DONE A LOT WITH
- 23 OUR CAMPUS, BUT WE HAVE MULTIPLE OPPORTUNITIES, AND WE
- 24 COULD ACTUALLY ENHANCE OUR STABILITY TO HAVE CIRM
- 25 PROVIDE A GRANT THAT ITSELF WOULD REQUIRE MATCHING FROM

- 1 US BECAUSE THEN WE COULD GO OUT AND GET THAT ADDITIONAL
- 2 MATCHING. IT GIVES US A STORY TO TELL AND A PLACE TO
- 3 GO THAT I THINK WOULD BE VERY EXCITING FOR FOUNDATIONS
- 4 AND BUSINESSES AND THOSE OTHER TWO LEGS OF THE STOOL,
- 5 SO TO SPEAK.
- 6 WITH THAT, I'LL CLOSE AND THANK YOU FOR BEING
- 7 HERE, AND BE HAPPY TO TAKE ANY QUESTIONS.
- 8 (APPLAUSE.)
- 9 DR. HALL: BECAUSE JIM IS GOING TO CATCH A
- 10 PLANE LATER TODAY, LET ME GO AHEAD AND TAKE A FEW
- 11 MINUTES FOR QUESTIONS IF PEOPLE HAVE THEM. BOB.
- 12 MR. KLEIN: HI, JIM. YOUR SLIDE IN
- 13 REFERENCING THE 300 MILLION FOR FACILITIES SAID 225
- 14 MILLION NET OF EQUIPMENT. IS IT THE ASSUMPTION THAT 25
- 15 PERCENT GOES TO EQUIPMENT?
- 16 DR. KOVACH: YEAH. ACTUALLY I TOOK THAT FROM
- 17 ONE OF OUR INTERNAL DISCUSSIONS. YEAH. I SHOULD
- 18 REFLECT THE FACT THAT THAT'S KIND OF MY BEST GUESS IS
- 19 THAT -- YEAH, I DON'T KNOW EXACTLY WHAT CIRM WILL DO.
- 20 WE'RE TRYING TO ESTIMATE KIND OF THE BALANCE BETWEEN
- 21 EQUIPMENT AND SPACE.
- MR. KLEIN: JUST AS A REFERENCE, EQUIPMENT
- 23 CAN ALSO BE FUNDED THROUGH THE RESEARCH SIDE. SO WE'RE
- 24 NOT CONSTRAINED IN USING UP OUR BUILDING MONIES FOR
- 25 EQUIPMENT.

- 1 DR. KOVACH: WELL, THE LINKAGE, THAT'S ONE
- 2 COMMENT I DIDN'T MAKE, AND I'VE SEEN AND ENCOURAGE AND
- 3 APPLAUD THE LINKAGE BETWEEN THE RESEARCH GRANTS AND
- 4 FACILITIES GRANTS AND MAKING THOSE WORK IN TANDEM. I
- 5 THINK THAT'S A GREAT IDEA.
- 6 CHAIRMAN DOMS: ONE OF YOUR LAST COMMENTS WAS
- 7 YOUR ABILITY TO SECURE ADDITIONAL FUNDS THROUGH A GRANT
- 8 WITH CIRM. HOW DOES THAT WORK? AND WHAT ARE THE
- 9 REALISTIC EXPECTATIONS IN TERMS OF IS IT DOLLAR FOR
- 10 DOLLAR, 50 CENTS ON THE DOLLAR, \$2 FOR THE DOLLAR?
- 11 DR. KOVACH: IT WOULD DEPEND, I THINK, ON THE
- 12 SPECIFIC INSTITUTE. BUT JUST TO TAKE A COUPLE THAT
- 13 HAVE GONE OUT INTO THE BOND MARKET FAIRLY RECENTLY
- 14 WOULD BE THE GLADSTONE AND THE BURNHAM INSTITUTE IN
- 15 JUST DISCUSSIONS WITH THEM. IF YOU HAVE -- IF YOU HAD
- 16 A FACILITIES GRANT, IT'S A REVENUE STREAM THAT
- 17 BASICALLY YOU CAN, AS AN INSTITUTE, INCORPORATE INTO
- 18 YOUR FINANCIALS AND THEN USE THAT IN YOUR DISCUSSIONS
- 19 WITH LENDERS TO EITHER RAISE MORE MONEY. THIS IS ALL
- 20 KIND OF ABC'S TO YOU, BUT BASICALLY THE GRANT ITSELF
- 21 PROVIDES THE MECHANISM FOR THE INDEPENDENTS. AND IT'S
- 22 DISPROPORTIONATE.
- 23 REMEMBER, IT'S NOT LIKE IT'S ONE OF THE BIG,
- 24 BIG INSTITUTIONS WHERE THIS DIFFERENCE IS VERY, VERY
- 25 MINUTE. IT'S ALMOST EVEN UNDETECTABLE TO A PLACE THAT

- 1 HAS A BILLION-DOLLAR CAMPAIGN ONGOING OR SOMETHING LIKE
- 2 THAT. BUT FOR PLACES LIKE OURS AND OTHERS, IT HAS A
- 3 MATERIAL EVENT IN TERMS OF HOW MUCH WE CAN ACTUALLY
- 4 RAISE, HOW MUCH WE CAN ACTUALLY DO. AND IT IS IN A
- 5 SENSE RISKY TO BASICALLY WORK WITH YOUR BANK TO GO OUT
- 6 AND RAISE ADDITIONAL CAPITAL BASED ON A FACILITIES
- 7 GRANT THAT'S BASICALLY GOING TO -- FOR A FIXED TIME
- 8 PERIOD AND IS GOING TO GO AWAY.
- 9 SINCE IT HITS THE MISSION OF WHY WE'RE HERE,
- 10 THE INSTITUTIONS WILL BE HERE IN PERPETUITY, RIGHT, OR
- 11 HAVE THE LEGAL ABILITY TO BE HERE IN PERPETUITY. IT
- 12 FITS VERY NICELY WITH OUR SCIENTIFIC EFFORTS TO HAVE AN
- 13 IMPACT ON THE WORLD IN OUR SPECIFIC AREA, AND THEN TO
- 14 CONNECT WITH THE COMMUNITY.
- 15 SO I'M JUST SAYING THAT THE FACILITIES
- 16 GRANTS, I THINK, ON A RELATIVE BASIS ARE GOING TO HAVE
- 17 A MAJOR IMPACT ON THE INDEPENDENT RESEARCH INSTITUTES.
- 18 IN MANY CASES THEY WILL HELP DEFINE THE DIRECTION, THE
- 19 SCIENTIFIC DIRECTION THAT WILL GO ON FOR MANY, MANY,
- 20 MANY YEARS. AND SO I GUESS IF I HAD ONE POINT TO MAKE,
- 21 THAT'S WHAT IT WOULD BE IS THE IMPACT THESE GRANTS
- 22 WOULD HAVE ON AFFECTING A VERY POWERFUL ON A
- 23 PROPORTIONATE BASIS SET OF INSTITUTIONS.
- 24 MR. SERRANO-SEWELL: JIM, DAVID
- 25 SERRANO-SEWELL. I HAVE A QUESTION ON THE INDEPENDENTS.

- 1 YOU PROVIDED A LIST OF INSTITUTIONS, I THINK, AT THE
- 2 BEGINNING OF YOUR PRESENTATION. I ASSUME THOSE ARE AN
- 3 EXAMPLE SOME OF THE INDEPENDENTS IN CALIFORNIA.
- 4 DR. KOVACH: THAT'S THE LIST.
- 5 MR. SERRANO-SEWELL: CAN YOU SPEAK TO WHAT
- 6 THEIR ANNUAL BUDGETS ARE? HOW DO WE DEFINE? I CAN
- 7 SPECULATE HOW TO DEFINE INDEPENDENTS, NOT AFFILIATED
- 8 WITH THIS OR THAT.
- 9 DR. KOVACH: I DON'T HAVE A SLIDE THAT
- 10 AGGREGATES THEM. WE SHARE INFORMATION. AND I
- 11 CERTAINLY COULD GET THAT INFORMATION, IN FACT, I'VE GOT
- 12 IT IN MY OFFICE, OF THE NUMBER OF EMPLOYEES, THE NUMBER
- OF SCIENTIFIC EMPLOYEES, THE NUMBER OF RESEARCH -- THE
- 14 AMOUNT OF RESEARCH REVENUES ON A PER INSTITUTION BASIS.
- 15 AND SO THE CLOSEST I CAME TO DOING THAT IS ON A
- 16 NATIONAL BASIS, AIRI ITSELF IS ABOUT 10 PERCENT OF
- 17 RECEIVING THE NIH MONEY NATIONALLY. SO THE INFERENCE
- 18 IS THAT IT COULD BE THAT CAL AIRI, THE CALIFORNIA AIRI
- 19 INSTITUTES, RECEIVE ABOUT 10 PERCENT OF THE CALIFORNIA
- 20 MONEY THAT COMES FROM THE NIH. BUT I'M NOT SURE OF
- 21 THAT THOUGH. I COULD GET THAT INFORMATION.
- MR. SERRANO-SEWELL: JUST IN CLOSING, THAT
- 23 WOULD BE USEFUL TO ME BECAUSE IF WE'RE GOING, AND WE'LL
- 24 TALK ABOUT THIS LATER ON TODAY, FUTURE RFA'S, AND IF
- WE'RE GOING TO BE SENSITIVE TO THE INDEPENDENTS AND, AS

- 1 YOU SAY, THE LARGER AND IMMEDIATE IMPACT WE CAN HAVE
- 2 WITH THOSE FUNDING DECISIONS, IT WOULD BE HELPFUL TO
- 3 KNOW EXACTLY.
- 4 DR. KOVACH: I'LL MAKE SURE -- IT'S A WIDE
- 5 SPECTRUM. PROBABLY SCRIPPS INSTITUTE WOULD BE THE
- 6 LARGEST, I THINK, CAL. AIRI. SALK IS VERY BIG AS WELL.
- 7 AND THEN SOME ARE VERY, VERY DIRECTED AND FAR LESS THAN
- 8 A MILLION DOLLARS. AND SO THAT'S WHY I DIDN'T TRY TO
- 9 DO MORE LISTING OF INDIVIDUAL INSTITUTIONS.
- 10 MR. SHEEHY: COUPLE QUESTIONS. ONE, THE ONE
- 11 MODEL THAT YOU USE THERE, I'M WONDERING IF THIS IS A
- 12 BETTER WAY FOR US TO GO, IS THINKING OF GROUPS CLUMPING
- 13 TOGETHER. IT SEEMED TO BE CENTERED AROUND A MAJOR
- 14 RESEARCH INSTITUTION. IS THAT -- WHAT'S THE EXPERIENCE
- 15 WITH THAT? IS THAT A GOOD MODEL LIKE UCSF OR STANFORD
- 16 OR UCLA, USING THEM AS KIND OF ANCHOR, THE SAME WAY
- 17 THAT UCSD SEEMED TO BE?
- DR. KOVACH: I DO BELIEVE -- I'VE HEARD
- 19 COMMENT ON PREVIOUS TESTIMONY ABOUT CENTER-BASED
- 20 APPROACHES, AND I THINK THAT THEY DO MAKE A LOT OF
- 21 SENSE. THEY PROVIDE INCENTIVE FOR PEOPLE TO WORK
- TOGETHER IN AN IMPORTANT COMMON SCIENTIFIC AREA. SO
- 23 IT'S INTERESTING BECAUSE WE'RE HAVING A LOT OF
- 24 DISCUSSION AND, YOU KNOW, IN AN ACTIVE PROCESS TO
- 25 DETERMINE WHERE THE ACTIVE SCIENTIFIC AREAS WILL BE.

- 1 SO WE BASICALLY WILL MODEL THE -- WE'LL MODEL OUR
- 2 ACTIVITIES BASED ON THE SCIENCE, RIGHT.
- 3 SO IF CIRM GIVES THE DIRECTION IN TERMS OF
- 4 THE SCIENCE, THE AREAS PERHAPS, THEN THE INSTITUTIONS
- 5 WILL FIGURE OUT HOW TO DO THE PARTNERING. THAT'S JUST
- 6 THE MARKET WORKING.
- 7 BUT I DO THINK A CENTER-BASED APPROACH WOULD
- 8 REALLY MAKE A LOT OF SENSE.
- 9 CHAIRMAN DOMS: I'VE GOT ANOTHER QUESTION. I
- 10 THINK YOU USED AN EXAMPLE OF SCRIPPS AND SALK AND
- 11 BURNHAM --
- DR. KOVACH: UH-HUH.
- 13 CHAIRMAN DOMS: -- AND UCSD. HOW IS THAT
- 14 WORKING? YOU HAVE THREE INDEPENDENT RESEARCH
- 15 INSTITUTIONS, AND THEN YOU HAVE A VERY SIGNIFICANT
- 16 NATIONAL RESEARCH INSTITUTE UNIVERSITY IN UCSD. HOW
- 17 DOES THAT WORK? YOU HAVE ONE THAT'S SO LARGE AND
- 18 OTHERS THAT ARE SO RELATIVELY SMALL IN COMPARISON, AND
- 19 THEN HOW DOES IT WORK?
- DR. KOVACH: WELL, I WILL -- I'M ACTUALLY
- 21 GOING DOWN -- I WAS GOING TO TALK TO MY COLLEAGUES
- 22 ABOUT HOW IT'S GOING TO WORK. I REALLY DON'T KNOW MANY
- 23 OF THE DETAILS.
- DR. HALL: I DON'T THINK ANYBODY KNOWS. I
- 25 THINK THEY HAVE AN AGREEMENT TO AGREE. IT'S VERY EARLY

- 1 STAGE. THEY'VE SAID THAT THEY WILL --
- DR. KOVACH: I THINK, AGAIN, IT MAKES SENSE.
- 3 YOU'RE TELLING THE MARKET WE'RE GOING TO AGREE AND WORK
- 4 TOGETHER ON THIS, WHICH TO ME MEANS YOU ARE GOING TO BE
- 5 MAKING THOSE DOLLARS GO AS FAR AS POSSIBLE.
- 6 MR. KLEIN: JIM, YOU SAID THAT IN SOME
- 7 SIGNIFICANT WAY IT CAN HELP YOUR INSTITUTION IF THERE'S
- 8 A MATCHING FUND REQUIREMENT FROM CIRM IN THAT IT ALLOWS
- 9 YOU TO GO OUT AND RAISE FUNDS AND TELL THE STORY TO
- 10 CREATE A MORE SIGNIFICANT IMPROVEMENT TO YOUR ASSET
- 11 BASE AND FACILITIES BASE. COULD YOU EXPAND ON THAT?
- DR. KOVACH: YEAH. I GUESS IN A PERFECT
- WORLD IT'S ALWAYS BETTER TO HAVE TOTALLY COMMITTED
- 14 DOLLARS. SO ALL THINGS BEING EQUAL, I'M SURE
- 15 INDEPENDENT RESEARCH INSTITUTES WOULD NOT WANT TO
- 16 HAVE -- I WASN'T ADVOCATING FOR THE MATCHING. WHAT I
- 17 WAS DOING WAS SAYING THAT IF THAT'S THE DIRECTION THAT
- 18 ENDS UP GETTING INCORPORATED INTO -- ON ONE HAND I
- 19 THINK THAT IT'S SIGNIFICANT THAT WE WOULDN'T HAVE IN
- 20 ALL CASES THE FREE DOLLARS EVEN TO MATCH. WE'D HAVE
- 21 OUR COMMITMENT, WE'D HAVE -- MANY TIMES WE DON'T HAVE
- THE ENDOWMENT. SO WE'D HAVE BASICALLY THE OPPORTUNITY
- 23 TO INTEGRATE IT INTO OUR WORK.
- 24 AND WHAT I WAS TRYING TO SAY IS THAT WE
- 25 WOULD -- I PREDICT WE COULD DO THAT. AND SO FROM

- 1 CIRM'S PERSPECTIVE, YOU'D MAKE THOSE DOLLARS GO A LONG
- 2 WAY. BUT I THINK THAT IF I WENT TO AIRI AND THIS
- 3 TESTIMONY CAME OUT THAT I WAS ADVOCATING FOR THAT, THEN
- 4 THAT WOULD NOT GO OVER TOO WELL. WE ALL ACTUALLY
- 5 STRUGGLE WITH HOW WE'RE ACTUALLY GOING TO COME UP WITH
- 6 THE CAPITAL TO GO IN THE STEM CELL AREA. SO THIS IS A
- 7 VALUABLE PROGRAM, AND I THINK THAT IT COULD HAVE A
- 8 DRAMATIC EFFECT ON MANY, MANY OF THE INDEPENDENT
- 9 RESEARCH INSTITUTES THAT HAVE MADE A COMMITMENT TO STEM
- 10 CELL WORK.
- DR. HALL: JIM, THANK YOU VERY MUCH, AND WE
- 12 APPRECIATE YOUR TIME.
- 13 (APPLAUSE.)
- 14 DR. HALL: YOU CAN TELL YOUR COLLEAGUES AT
- 15 AIRI THAT YOU REPRESENTED THEIR INTEREST VERY WELL AT
- 16 THE CIRM. THANKS A LOT.
- OUR NEXT SPEAKER IS REBEKAH GLADSON, WHO IS
- 18 ASSOCIATE VICE CHANCELLOR AND CAMPUS ARCHITECT AT UC
- 19 IRVINE WHERE SHE CAN GO FROM ONE END TO THE OTHER WHERE
- 20 PRESIDES OVER DESIGN AND CONSTRUCTION WITH A BUDGET OF
- 21 ABOUT \$1.2 BILLION. SHE'S TRAINED AS AN ARCHITECT.
- 22 SHE'S A MEMBER OF THE AIA, AND SHE IS NATIONALLY KNOWN
- 23 AS A PROPONENT AND ADVOCATE OF DESIGN-BUILD. AND SO
- 24 THAT GIVES HER A SORT OF DOUBLE CREDENTIAL HERE TODAY,
- 25 AND I THINK THAT WILL BE USEFUL TO US TO HEAR, NOT ONLY

- 1 HOW THE UNIVERSITY OF CALIFORNIA GOES ABOUT ITS
- 2 BUSINESS, BUT ALSO SOME OF THE ADVANTAGES OF THE
- 3 DESIGN-BUILD APPROACH.
- 4 SHE IS VERY MUCH IN DEMAND EVEN NATIONALLY
- 5 AND EVEN INTERNATIONALLY, SO WE ARE FORTUNATE THAT
- 6 SHE'S TAKEN SOME TIME TO BE WITH US HERE TODAY. THANK
- 7 YOU VERY MUCH, REBEKAH.
- 8 MS. GLADSON: WELL, THANK YOU FOR ASKING ME
- 9 TO SPEAK WITH YOU TODAY. I THINK WHAT JIM SAID IS SO
- 10 RELEVANT. WE HAVE TO FIND A WAY TO MAKE THIS MONEY GO
- 11 A LONG WAYS. SO WHAT ARE SOME OF THESE WAYS THAT WE
- 12 CAN DO THIS? AND I'M GOING TO SPEAK TO YOU MORE FROM
- 13 THE FACILITIES PERSPECTIVE SINCE I AM AN ARCHITECT.
- 14 BUT TODAY I WANT TO TALK A LITTLE BIT ABOUT
- 15 HOW WE PLAN FOR A NEW FACILITY. SPEAKING OF THE PUBLIC
- 16 UNIVERSITIES, I DON'T WANT TO SPEAK SPECIFICALLY TO
- 17 IRVINE, ALTHOUGH THAT WOULD BE EASY AND RATHER FUN, I
- 18 THINK YOU WANT TO HEAR A LITTLE BIT BROADER
- 19 PERSPECTIVE. AND THEN THE FUNDING, WHAT ARE SOME OF
- OUR FUNDING SOURCES, AND THEN THE CONSTRUCTION AND
- 21 DELIVERY METHOD. SO THAT'S SORT OF THE OUTLINE OF WHAT
- 22 I'D LIKE TO FOLLOW.
- NOT UNLIKE THE BUCK INSTITUTE, WHEN A
- 24 UNIVERSITY HAS THE OPPORTUNITY TO HAVE A PROGRAM OR TO
- 25 EXPAND, YOU LOOK AT WHAT YOUR PROGRAM IDENTIFICATION

- 1 IS. SO WHAT IS THIS PROGRAM AND HOW DOES IT FIT WITH
- 2 THE OTHER PROGRAMS THAT YOU ALSO HAVE AT THE
- 3 UNIVERSITY? SO WHAT CAN YOU DRAW UPON? HOW CAN YOU
- 4 MAXIMIZE YOUR INVESTMENT BOTH FROM A RESEARCH AS WELL
- 5 AS FROM A CAPITAL STANDPOINT? AND THEN WHAT ARE YOUR
- 6 NEEDS THAT YOU HAVE IN ORDER TO MAKE SURE THAT YOU CAN
- 7 ACTUALLY FULFILL WHATEVER COMMITMENT IT IS THAT YOU'RE
- 8 TRYING TO MAKE OR WHATEVER RESEARCH GOALS YOU'RE TRYING
- 9 TO ACCOMPLISH?
- 10 SO TO DO A THOROUGH NEEDS ASSESSMENT OF NOT
- 11 JUST THAT BUILDING OR THAT PROGRAM, BUT TO EXPAND IT
- 12 INTO HOW DOES THAT RELATE TO THE OTHER PARTS OF THE
- 13 UNIVERSITY?
- 14 AND THEN TO TAKE A LOOK AT WHAT IS YOUR
- 15 EXISTING SPACE? EVERY UNIVERSITY HAS SPACE. YOU NEED
- 16 TO ASSESS THAT. YOU DON'T WANT TO DUPLICATE IT, SO
- 17 IT'S A FAIRLY ELABORATE PROCESS TO DO A VERY OBJECTIVE
- 18 NEEDS ASSESSMENT. WHAT DO YOU HAVE, AND HOW IS IT
- 19 BEING UTILIZED? THIS IS ALWAYS AN INTERESTING
- 20 DISCUSSION, AS YOU CAN WELL IMAGINE, BECAUSE YOU'RE
- 21 CRITIQUING AND EVALUATING ARE WE UTILIZING THAT SPACE
- 22 TO THE MAXIMUM POSSIBLE?
- 23 AND THEN WHAT ARE THE RELATED RESEARCH
- 24 PROGRAMS THAT CAN ACTUALLY SUPPORT AND AUGMENT THIS?
- 25 SO THAT IT MAYBE ISN'T A PART OF THIS EXACT PROGRAM,

- 1 BUT IN AN INTERDISCIPLINARY ENVIRONMENT, WHICH IS ONE
- 2 OF THE GREAT THINGS THAT THE UNIVERSITY CAN BRING, IS
- 3 THAT THERE IS OTHER RESEARCH TAKING PLACE IN OTHER
- 4 DEPARTMENTS THAT CAN BE DRAWN IN AND UTILIZED AND
- 5 CAPITALIZED UPON.
- THEN WE LOOK AT, WELL, IF YOU'RE GOING TO
- 7 ACTUALLY BUILD A BUILDING, WHAT ARE SOME OF THE
- 8 ADJACENCIES OF RELATED FACILITIES AND SERVICES?
- 9 BECAUSE YOU CERTAINLY DON'T WANT TO DUPLICATE, SO HOW
- 10 CAN YOU DRAW UPON CENTRALIZED SERVICES, WHETHER IT'S
- 11 PARKING, WHETHER IT'S FOOD, WHETHER IT'S UTILITIES,
- 12 WHETHER IT'S THE KINDS OF THINGS THAT YOU NEED IN AN
- 13 ENVIRONMENT, SO YOU DON'T HAVE TO FUND PARKING
- 14 STRUCTURES, YOU DON'T HAVE TO BUILD A FOOD FACILITY
- 15 WITHIN YOUR BUILDING BECAUSE THERE'S ONE TWO BUILDINGS
- 16 OVER. CENTRALIZED UTILITIES ARE OFTEN CHEAPER FOR THE
- 17 OPERATION AND MAINTENANCE.
- 18 WHAT'S THE ACCESS WITHIN THE FACILITY ON THE
- 19 CAMPUS, SO YOU KNOW IF YOU REALLY WANT TO BE OVER IN
- THE COLLEGE OF MEDICINE, YOU DON'T REALLY WANT TO BE
- OVER IN HUMANITIES. SO TO REALLY LOOK AT HOW YOU
- 22 MAXIMIZE ACCESSIBILITY TO THE RESEARCHERS BECAUSE,
- 23 REMEMBER FOR US, IT'S USUALLY INTERDISCIPLINARY IN
- 24 THESE TYPES OF PROGRAMS. YOU'RE TRYING TO DRAW UPON
- 25 MANY SPECIALTIES.

- 1 AND THE SECOND IS WHAT IS YOUR ACCESS OFF
- 2 CAMPUS? SO WHERE ARE YOU AT FROM, FOR EXAMPLE,
- 3 AIRPORTS? WHERE ARE YOU AT FROM TRAIN STATIONS,
- 4 FREEWAYS, TOLL ROADS? HOW EASY IS IT GOING TO BE TO
- 5 GET TO THE FACILITY THAT YOU ARE PROPOSING OR YOU ARE
- 6 GOING TO ASK FOR FUNDS FOR?
- 7 THEN ANOTHER POINT FOR US IN THE PLANNING IS
- 8 FLEXIBLE GENERIC OPEN SPACE. WE LIKE TO DESIGN -- AND
- 9 I'M USING THE WORD "WE," I'M SPEAKING PROBABLY OF
- 10 IRVINE, BUT I THINK IT'S ACTUALLY BROADER THAN THAT --
- 11 GENERIC SPACE WITHOUT A LOT OF WALLS SO THAT IT'S EASY
- 12 TO REASSIGN. IT'S EASY TO RECONFIGURE AS THE EMPHASIS
- 13 OF A PROGRAM MIGHT CHANGE. AND THIS IS ACTUALLY
- 14 IMPORTANT TO THE RESEARCHERS ON THE CAMPUS, TO DEANS,
- OR WHOEVER IS RUNNING THE PROGRAM, AS WELL AS TO GUEST
- 16 RESEARCHERS BECAUSE THERE'S NOTHING THAT SEPARATES LIKE
- 17 WALLS. SO IF YOU WANT TO HAVE INTERDISCIPLINARY, IF
- 18 YOU WANT TO HAVE AN EXCHANGE OF IDEAS, GET RID OF THE
- 19 WALLS AND BREAK THAT DOWN SO THAT YOU CAN PROMOTE THAT
- 20 INTERACTION BETWEEN RESEARCHERS.
- THE FIRST TIME YOU DO THIS, IT MAY BE A
- 22 LITTLE BIT UNCOMFORTABLE, BUT ACTUALLY WE HAVE WAITING
- 23 LISTS OF RESEARCHERS WHO NOW WANT TO GO IN BUILDINGS
- 24 WITH NO WALLS BECAUSE IT'S A GREAT USE OF SPACE. AS
- THEIR PROGRAMS EXPAND AND CONTRACT, YOU ASSIGN THEM

- 1 ANOTHER BENCH. AND ALSO, THE LAST PART OF IT IS
- 2 DEVELOPMENT OF SHARED CORE FACILITIES. YOU CAN
- 3 MAXIMIZE YOUR CAPITAL INVESTMENT. YOU DON'T HAVE TO
- 4 BUY THE SAME EQUIPMENT FOR EVERY RESEARCHER BECAUSE,
- 5 AFTER ALL, YOU DON'T HAVE WALLS. YOU PUT IT IN A
- 6 CENTRAL LOCATION AND EVERYBODY HAS ACCESS TO IT. THEY
- 7 SCHEDULE IT, THEY FUND THE COST FOR IT, AND IT PROMOTES
- 8 THAT INTERACTION WE WERE TALKING ABOUT.
- 9 FUNDING. I'M NOT GOING TO SPEND AS MUCH TIME
- 10 ON THIS; BUT FOR STATE FUNDING, THE STATE FUNDING THAT
- 11 A UNIVERSITY RECEIVES IS PRIMARILY FOR ENROLLMENT
- 12 GROWTH. IT'S NOT FOR RESEARCH INSTITUTES AND IT'S NOT
- 13 FOR ORU'S. STATE FUNDING FOR US IS GENERALLY GENERAL
- 14 OBLIGATION BONDS, WHICH YOU ALL VOTE ON, AND THEN
- 15 REVENUE BONDS. NONSTATE SOURCES ARE GENERALLY GRANTS
- 16 AND INDIRECT COST RECOVERY, THE THINGS THAT YOU'RE ALL
- 17 VERY, VERY FAMILIAR WITH.
- 18 SO IF YOU ARE GOING TO MAKE YOUR 300 MILLION
- 19 GO AS FAR AS YOU POSSIBLY CAN MAKE IT GO, WHAT ARE YOU
- 20 GOING TO DO? WELL, I WANT TO GIVE YOU SOME THINGS THAT
- 21 YOU MIGHT WANT TO CONSIDER WHEN YOU'RE EVALUATING THESE
- 22 REQUESTS THAT YOU ARE GOING TO GET.
- 23 SO SOME OF THESE TOOLS ARE GOING TO BE
- 24 DEALING WITH THE PROGRAMMING, PLANNING PHASE, AND SOME
- 25 ARE GOING TO DEAL MORE WITH THE IMPLEMENTATION PHASE.

- 1 BUT ONE OF THE FIRST THINGS IS THE ALIGNMENT OF A
- 2 PROJECT'S SCOPE AND BUDGET. YOU'VE ALL HEARD THE
- 3 HORROR STORIES OF HOW PROJECTS COST, YOU KNOW, ONE AND
- 4 A HALF TIMES, TWO TIMES WHAT IT WAS ORIGINALLY PROPOSED
- 5 TO COST. WELL, THERE NEEDS TO BE THAT ALIGNMENT, AND
- 6 YOU NEED TO HAVE AN EARLY ASSESSMENT OF WHAT THAT
- 7 BUILDING SIZE IS GOING TO BE BASED UPON THE ANTICIPATED
- 8 FUNDS BECAUSE, WHETHER WE WANT TO REALIZE THIS OR NOT,
- 9 THERE'S A BEHAVIORAL COMPONENT TO ALL OF THIS. AND
- 10 THAT BEHAVIORAL COMPONENT IS THE PERCEPTION OF WHAT I
- 11 WANT AND WHAT I'M REALLY GOING TO GET. SO YOU NEED TO
- 12 MANAGE THOSE EXPECTATIONS EARLY.
- THIS IS NOT THE FUN PART OF THE JOB TO TELL
- 14 PEOPLE, NO, YOU'RE NOT GOING TO GET A HUNDRED THOUSAND
- 15 SQUARE FOOT BUILDING. YOU'RE GOING TO GET A 70,000
- 16 SQUARE FOOT BUILDING. BUT YOU NEED TO ESTABLISH THAT.
- 17 OTHERWISE YOU'RE ALWAYS GOING TO HAVE THAT DISCONNECT,
- 18 AND THE BEHAVIOR, THEN, IS WHAT STARTS DRIVING PROJECTS
- 19 INTO A NEGATIVE AREA.
- 20 A COUPLE OF TOOLS THAT WE UTILIZE, PROGRAM
- 21 VALUE ENGINEERING. AND BY THAT, I USE EARLY
- 22 INVOLVEMENT OF CONTRACTORS. BRING THEM IN. THESE ARE
- 23 THE PEOPLE WHO ARE GOING TO BUILD IT. ASK THEM WHAT IS
- 24 IT GOING TO COST. THEY'RE BUILDING SIMILAR SPACE. GET
- 25 THEIR INPUT. ESTABLISH AND MANAGE THE EXPECTATIONS.

- 1 BRING THE PEOPLE WHO ARE GOING TO BE KEY DECISION
- 2 MAKERS INTO THOSE CONVERSATIONS WITH THE CONTRACTORS.
- 3 LET THEM HEAR IT. LET THEM UNDERSTAND IT. AND THEN
- 4 ADJUST YOUR PROGRAM AS YOU NEED TO.
- NOW, THIS DOESN'T MEAN THAT IF THE MARKET
- 6 GOES DOWN AND YOU COULD ACTUALLY BUY A LITTLE BIT MORE,
- 7 THAT YOU CAN'T GIVE MORE, BUT IT'S A TOOL FOR MANAGING
- 8 THAT.
- 9 THEN THE LAST THING IS TO DEVELOP A BID
- 10 STRATEGY. THIS IS CRITICAL AS YOU GO INTO A PROJECT.
- 11 WHAT IS YOUR STRATEGY FOR MANAGING THAT BID?
- 12 ALTERNATES, YOU KNOW, THOSE CAN BE ADDS, THEY CAN BE
- 13 DEDUCTS, DEFINING SCOPE THAT DEALS WITH DOLLARS, SO IF
- 14 YOU WANT TO ADD A FLOOR, TAKE A FLOOR OUT, ADD 5,000
- 15 SQUARE FEET, REDUCE 10,000 SQUARE FEET. AND THEN A
- 16 VERY IMPORTANT ONE IS BUILD A RELATIONSHIP WITH YOUR
- 17 CONSTRUCTION COMMUNITY. THESE ARE THE PEOPLE WHO ARE
- 18 GOING TO BUILD IT. YOU NEED TO HAVE THEM ON YOUR TEAM.
- 19 SO ONCE YOU KIND OF GET THROUGH ALL THAT
- 20 PLANNING STUFF, YOU'RE GOING TO ACTUALLY HAVE TO
- 21 DELIVER THIS PROJECT. SO YOU ARE GOING TO MAKE YOUR
- 22 DETERMINATION BASED ON BEST PRACTICES. NOW, THE BEST
- 23 PRACTICES FOR ONE TEAM MAY NOT BE THE BEST PRACTICES
- 24 FOR ANOTHER TEAM. SO YOU NEED TO MAKE, AND I'M GOING
- 25 TO GO INTO THIS IN A LITTLE BIT MORE DETAIL FURTHER ON,

- 1 BUT THE EXPERIENCE OF YOUR MANAGEMENT TEAM WITH THE
- 2 MODEL THAT THEY ARE PROPOSING TO USE. YOU WANT TO KNOW
- 3 DO THEY HAVE A TRACK RECORD? HAVE THEY MEASURED THE
- 4 OUTCOME AND THE PERFORMANCE? YOU MIGHT WANT TO
- 5 QUESTION IF THEY HAVE NEVER DONE THIS MODEL OF DELIVERY
- 6 BEFORE, DO YOU WANT THEM TO TRY IT WITH THIS AMOUNT
- 7 MONEY THAT YOU'RE GOING TO GIVE THEM THE FIRST TIME.
- 8 THIS SOUNDS VERY COMMON SENSE, BUT IT ACTUALLY GETS
- 9 OVERLOOKED IN COMMITTEES. I'M NOT TRYING TO BE
- 10 DEROGATORY TO THIS COMMITTEE. I'M JUST GIVING YOU SOME
- 11 TOOLS YOU MIGHT WANT TO TAKE A LOOK AT.
- 12 THE OTHER THING THAT YOU'VE GOT TO EVALUATE
- 13 IS COMPLIANCE WITH THE STATE CONTRACT CODE. THESE
- 14 FUNDS, AND YOU'RE GOING TO HAVE TO EVALUATE, WHAT IS
- 15 YOUR COMPLIANCE LEVEL WITH THE STATE CONTRACT CODE.
- AND THAT HAS DIFFERENT MEANINGS, AND YOUR GENERAL
- 17 COUNSEL IS GOING TO HAVE TO ADVISE YOU ON THAT. UC HAS
- 18 A DIFFERENT KIND OF COMPLIANCE WITH THE STATE CONTRACT
- 19 CODE THAN THE CAL STATE MIGHT HAVE VERSUS THE VARIOUS
- 20 OTHER PUBLIC ENTITIES. SO YOU NEED TO DETERMINE THAT
- 21 AND DEFINE THAT AS YOU MOVE THROUGH THIS PROCESS.
- THEN WHAT ARE THE POSSIBILITIES? WELL,
- 23 DEPENDING ON WHAT THOSE COMPLIANCE REQUIREMENTS ARE,
- 24 YOU CAN DO TRADITIONAL DESIGN-BID-BUILD. THAT'S
- OBVIOUS. YOU CAN DO DESIGN-BUILD, YOU CAN DO

- 1 CONSTRUCTION MANAGER. THERE'S A MYRIAD OF HYBRIDS
- 2 BETWEEN ALL OF THESE THAT YOU CAN PURSUE.
- 3 SO AT SOME POINT SOMEONE IS GOING TO SAY I
- 4 WANT TO DELIVER THE PROJECT IN SOME FASHION UNDER SOME
- 5 MODEL, AND YOU NEED TO HAVE SOME DECISION METRICS ABOUT
- 6 HOW ARE YOU GOING TO EVALUATE IS THIS A GOOD MODEL FOR
- 7 THIS TEAM. SO WHAT I LOOK FOR IS INTEGRATED TEAM
- 8 DELIVERY. AND THIS IS BASED ON 20 YEARS OF EXPERIENCE.
- 9 I'D RATHER HAVE A PARTNERSHIP VERSUS AN ADVERSARIAL BID
- 10 RELATIONSHIP. AND THAT'S JUST HISTORICALLY IF YOU CAN
- 11 HAVE AN INTEGRATED TEAM, YOU HAVE A TEAM THAT'S ALIGNED
- ON THEIR GOALS AND VALUES VERSUS SOMEONE WHO, MY
- 13 DEFINITION OF LOW BID IS THEY MADE THE BIGGEST MISTAKE
- 14 ON BID DAY, AND THIS IS GENERALLY IN THE PUBLIC ARENA.
- 15 I SEE GENERAL COUNSEL SMILING OVER THERE, SO I THINK
- 16 THEY KNOW WHAT I'M TALKING ABOUT.
- 17 AND YOU WANT A DELIVERY MODEL THAT'S GOING TO
- 18 ALLOW TO YOU TO PARTNERSHIP ON YOUR OUTCOMES, YOUR
- 19 PERFORMANCE OUTCOMES, THAT YOU CAN CLEARLY IDENTIFY
- 20 THOSE. AND THIS IS NOT EXCLUSIVE TO ONE DELIVERY
- 21 MODEL, BUT YOU NEED TO ASK THE QUESTIONS AND MAKE SURE
- 22 THEY UNDERSTAND WHAT DOES THAT REALLY MEAN.
- 23 VALUE-BASED SELECTION. I HAVE TO TELL YOU, I
- 24 AM NOT A PROPONENT OF LOW BID BECAUSE IT'S, AS I SAID,
- THE ADVERSARIAL. YOU REALLY WANT TO LOOK AT WHAT IS

- 1 THE BEST VALUE FOR THE DOLLAR YOU'RE SPENDING. IF YOU
- 2 ARE GOING TO SPEND \$50 MILLION ON A PROJECT, HOW ARE
- 3 YOU GOING TO GET THE BEST VALUE FOR THAT DOLLAR? AND
- 4 I'M GOING TO GIVE YOU A FORMULA FOR THAT. BUT THERE'S
- 5 A LOT OF SAVINGS THROUGH TEAM INNOVATIONS WHEN YOU
- 6 ACTUALLY HAVE THIS INTEGRATED TEAM, AND YOU CAN BRING
- 7 SUBCONTRACTORS AND CONTRACTORS TO THE TABLE AND
- 8 CAPITALIZE ON THEIR MEANS AND METHODS, THE KINDS OF
- 9 SERVICES THAT THEY CAN SELF-PERFORM. THEN YOU CAN
- 10 ACTUALLY GET THE INNOVATIONS THAT THEY BRING TO THIS
- 11 MARKETPLACE.
- 12 SOME DELIVERY MODELS, AND I'M GOING TO GIVE
- 13 YOU A STATISTIC ON THE NEXT SHEET, CAN REDUCE PROJECT
- 14 DELIVERY BY 8 TO 12 PERCENT, ACTUALLY ALL THE WAY UP TO
- 15 30 PERCENT. IF YOU LOOK AT THE DURATION AND YOU LOOK
- 16 AT ESCALATION AT 10 TO 12 PERCENT A YEAR, \$50 MILLION
- 17 PROJECT, DELIVER THAT ONE YEAR SOONER, YOU'VE SAVED 5
- 18 TO \$6 MILLION. THAT'S NOT CHUMP CHANGE; AND WHEN
- 19 YOU'RE LOOKING AT HOW TO MAKE 300 MILLION GO AS FAR AS
- 20 POSSIBLE, EVERY \$6 MILLION YOU CAN CARVE OUT, YOU'VE
- 21 GOT IT TO USE SOMEPLACE ELSE.
- 22 WE LOOK FOR A MANAGEMENT STRATEGY THAT
- 23 ELIMINATES CLAIMS DUE TO DRAWING COORDINATION. THIS
- 24 GOES BACK TO THAT INTEGRATED TEAM. YOU'VE ALL HEARD
- 25 ABOUT THE CONTRACTOR, THE PLUMBING CONTRACTOR,

- 1 MECHANICAL CONTRACTOR THAT CAN'T GET THE DUCT THROUGH
- THE BEAM AND, THEREFORE, THE OWNER PAYS. YOU WANT TO
- 3 FIND A DELIVERY MODEL THAT ELIMINATES THAT.
- 4 AND THEN A LOOK AT YOUR RISK TRANSFER. HOW
- 5 MUCH CAN YOU TRANSFER OR HOW MUCH DO YOU WANT TO
- 6 REALLOCATE? THAT'S THAT CHANGE ORDER KIND OF STUFF.
- 7 YOU'VE ALL SEEN THESE KIND OF CURVES, SO I'M
- 8 NOT GOING TO SPEND TOO MUCH TIME WITH THIS. BUT THIS
- 9 IS A TYPICAL INDUSTRY CURVE THAT TALKS ABOUT THE
- 10 INFLUENCE VERSUS EXPENDITURES. SO IN YOUR INTEGRATED
- 11 TEAM DELIVERY, AND THIS IS OBVIOUSLY GEARED MORE
- 12 TOWARDS DESIGN-BUILD BECAUSE THAT GIVES YOU YOUR
- 13 INTEGRATED TEAM VERY EARLY IN THE PROCESS, THE EARLIER
- 14 YOU CAN BRING THAT TEAM IN, THE MORE YOU CAN IMPACT THE
- 15 EXPENDITURES OR THE COST. AND SO WHATEVER MODEL OF
- 16 DELIVERY YOU'RE LOOKING AT, YOU MIGHT WANT TO EVALUATE
- 17 IT ON THIS FAIRLY GENERIC INFLUENCE VERSUS EXPENDITURES
- 18 AND ASK WHERE DOES THAT TEAM ACTUALLY MOBILIZE AND FIT
- 19 IN.
- THIS IS JUST SORT OF A LITTLE SIDEBAR; BUT AS
- 21 YOU'RE EVALUATING THAT, YOU HAVE TO UNDERSTAND THAT
- 22 EVERY ONE OF THESE DELIVERY MODELS THAT YOU WILL HEAR
- 23 ABOUT HAS SOME KIND OF MERGING OF CULTURES AND
- 24 PHILOSOPHIES. SO FROM THE OWNER'S PERSPECTIVE, AND
- 25 YOU'RE KIND OF REPRESENTING AS AN OWNER, YOU'RE TRYING

- 1 TO TRANSFER A CERTAIN AMOUNT OF RISK. YOU'VE GOT
- 2 AGENCIES, WHETHER IT'S A STATE AGENCY, WHETHER IT'S THE
- 3 BUILDING DEPARTMENT, WHOEVER YOU'RE GIVING A GRANT TO,
- 4 WHAT IS THEIR TIME GOING TO BE? WHAT ARE THEY GOING TO
- 5 ASK FOR IN THE REVIEW PROCESS? WHAT ARE CONTRACTORS?
- 6 CONTRACTORS LOVE TO TAKE CALCULATED RISKS, SO BRING
- 7 THOSE PEOPLE IN EARLY. DESIGN PROFESSIONALS, WHICH I
- 8 AM ONE, WE'RE VERY RISK AVERSE. WE'RE LOOKING TO
- 9 TRANSFER THAT BACK AND FORTH. SO SOMEHOW YOU'VE GOT TO
- 10 LOOK AT THAT MELDING OF CULTURES AND HAVE A MODEL THAT
- 11 DEALS WITH THAT. I'M NOT BEING PRESCRIPTIVE ABOUT
- 12 MODEL BECAUSE I WOULD SAY DESIGN-BUILD. BUT...
- 13 SO FOR THOSE OF YOU WHO AREN'T REAL FAMILIAR
- 14 WITH WHAT THESE CONTRACTUAL RELATIONSHIPS LOOK LIKE,
- 15 THERE'S LOTS OF PERMEATIONS BETWEEN THIS, SO PLEASE
- 16 DON'T TAKE THIS AS THE END ALL. BUT ON THE LEFT-HAND
- 17 SIDE, YOU'VE GOT TRADITIONAL OR CONSTRUCTION MANAGER.
- 18 I SHOW THE CONSTRUCTION MANAGER IN RED AND A LITTLE
- 19 CIRCLE. HE MAY OR MAY NOT BE THERE DEPENDING ON IF YOU
- 20 DO NOT CHOOSE THEM. THAT COULD ALSO BE SEEN IN THAT
- 21 RISK, SO THERE'S PERMEATIONS BETWEEN THAT.
- THE BIGGEST PART OF THIS IS TO SIMPLY SAY THE
- 23 OWNER HOLDS AT LEAST TWO CONTRACTS. HE HOLDS ONE WITH
- 24 THE CONSTRUCTION CONTRACTOR AND HE HOLDS ONE WITH THE
- 25 AE OR DESIGN PROFESSIONALS. THAT SETS UP YOUR SOMEWHAT

- 1 TRADITIONAL TRIANGLE WHERE THE OWNER IS IN THE MIDDLE
- 2 HOLDING TWO CONTRACTS, THERE'S DIFFERENCES BETWEEN
- 3 THEM, YOU END UP PAYING FOR WHATEVER THAT DIFFERENCE
- 4 IS, CALLED A CHANGE ORDER.
- 5 A DESIGN-BUILD DELIVERY, AND, AGAIN, THERE'S
- 6 VARIOUS PERMEATIONS OF THIS, IS THE OWNER HOLDS ONE
- 7 CONTRACT. THERE'S A SINGLE SOURCE OF RESPONSIBILITY
- 8 AND ACCOUNTABILITY. THAT DESIGN-BUILD TEAM THEN HOLDS
- 9 THE CONTRACTS TO THE SUBCONTRACTORS, THE DESIGN
- 10 CONSULTANTS, THE SUPPLIERS, ETC. SO I'VE GOT ONE PARTY
- 11 TO GO TO AND HOLD RESPONSIBLE FOR THE DEVELOPMENT OF
- 12 THAT PROJECT.
- 13 SO CII IS A CONSTRUCTION INSTITUTE OUT OF
- 14 AUSTIN, UNIVERSITY OF TEXAS AT AUSTIN, AND THEN PENN
- 15 STATE. SO THIS WAS A STUDY DEALING WITH DELIVERY
- 16 MODELS, SCHEDULES, AND WHAT WERE SOME OF TIME SAVINGS
- 17 FROM MODEL TO MODEL. SO OVER A TRADITIONAL DELIVERY, A
- 18 CONSTRUCTION MANAGER AT RISK SAVED ABOUT 13 PERCENT,
- 19 AND A DESIGN-BUILD DELIVERY MODEL SAVED ABOUT 33.5
- 20 PERCENT. AND SO I JUST WANTED TO GIVE YOU A COUPLE
- 21 PIECES OF OBJECTIVE DATA THAT'S BEEN PRODUCED BY
- 22 OUTSIDE UNIVERSITIES.
- THE SECOND SHEET IS JUST TO GIVE YOU A LITTLE
- 24 BIT OF INFORMATION ABOUT COST GROWTH, SCHEDULE AND COST
- 25 GROWTH, BECAUSE THESE ARE GOING TO BE TWO ISSUES THAT

- 1 YOU'RE GOING TO WANT TO EVALUATE IN YOUR PROPOSALS, AND
- THESE ARE ALL IN YOUR HANDOUTS. BUT NEEDLESS TO SAY,
- 3 DESIGN-BUILD WAS THE ONE THAT ACTUALLY HAD LOWER COST
- 4 AND WAS FASTER, AGAIN, BECAUSE YOU HAD A DIRECT CONTACT
- 5 AND CONTRACT WITH THAT ENTITY THAT WAS ACTUALLY DOING
- 6 THE CONSTRUCTION OF THE PROJECT, DESIGN AND
- 7 CONSTRUCTION.
- 8 SO I MENTIONED TO YOU LOWEST DOLLAR, YOU
- 9 KNOW, THE LOW BID, AND THAT CREATES THAT ADVERSARIAL
- 10 KIND OF RELATIONSHIP. SO A BEST VALUE DETERMINATION
- 11 TAKES THE DOLLARS OF THE GMP, GUARANTEED MAXIMUM PRICE,
- OR YOUR LUMP-SUM BID, AND YOU DIVIDE THAT BY SOME KIND
- 13 OF TECHNICAL EVALUATION OF THE PROPOSAL, SO THE MERIT
- 14 OF IT. AND YOU ASSIGN WEIGHTED POINTS TO VARIOUS
- 15 CATEGORIES OF THAT PROPOSAL, WHETHER IT'S DESIGN,
- 16 FLEXIBILITY, PROGRAM FUNCTIONALITY, ETC. AND THEN YOUR
- 17 BEST VALUE IS THE DOLLAR PER POINT, AND LOWEST DOLLAR
- 18 IS NOT THE DETERMINING FACTOR. YOU ACTUALLY CAN GET A
- 19 BETTER VALUE, FOR EXAMPLE, BY A BUILDING THAT HAD LOWER
- 20 OPERATING COST, LONGER LIFE CYCLE COST, THINGS THAT MAY
- 21 NOT BE IN THE FIRST CAPITAL COST, BUT YOU'RE GOING TO
- 22 PAY YEARLY FOR. SO YOU WANT TO EVALUATE THOSE TO MAKE
- THE BEST VALUE.
- 24 OKAY. THESE ARE SOME THINGS YOU MIGHT WANT
- TO ASK ABOUT IN YOUR PROPOSALS, SOME MANAGEMENT

- 1 PRINCIPLES AND VALUES. I'M GOING TO GO THROUGH THESE
- 2 REALLY QUICKLY. BUT PROJECT LEADERSHIP IS A MUST. HOW
- 3 ARE THEY GOING TO DRAW ON THE EXPERIENCE OF OTHERS'
- 4 BEST PRACTICES? HOW HAVE THEY ALLOCATED RISK? RISK IS
- 5 A HUGE ISSUE THAT WILL DRIVE YOUR CAPITAL COST. SO,
- 6 FOR EXAMPLE, IF THE CONTRACTOR OR THE DESIGN-BUILD TEAM
- 7 IS RESPONSIBLE FOR ALL UNDERGROUND CONDITIONS THAT THEY
- 8 CAN'T KNOW ABOUT WHEN THEY BID, THEY WILL SIMPLY BID
- 9 HIGHER TO COVER ALL THOSE UNKNOWNS. IF YOU WANT TO OWN
- 10 THOSE AS THE OWNER, YOU COULD ACTUALLY MANAGE THAT MORE
- 11 EFFECTIVELY BECAUSE YOU PROBABLY HAVE A BETTER IDEA
- 12 WHAT THAT UNDERGROUND RISK IS. SO HOW MUCH RISK DO YOU
- 13 WANT TO TRANSFER TO THAT ENTITY THAT'S GOING TO BUILD?
- 14 THE COMMITMENT TO TEAMWORK AND RELATIONSHIP,
- 15 THIS GETS INTO A WHOLE CULTURE OF, YOU KNOW, ARE YOU
- 16 GOING TO HAVE ONGOING RELATIONSHIPS? HOW ARE YOU GOING
- 17 TO SOLVE ISSUES AND PROBLEMS? AND THEN ESTABLISHING
- 18 YOUR QUALITY AND THE FUNCTION.
- 19 SO LET ME TALK IN A LITTLE BIT MORE DETAIL
- 20 QUICKLY ABOUT THESE. THE OWNER HAS TO HAVE A
- 21 MANAGEMENT STRUCTURE. SO HOW ARE YOU GOING TO MAKE THE
- 22 DECISIONS? WHO'S GOING TO MAKE THE DECISION? AND HOW
- 23 LONG IS IT GOING TO TAKE FOR YOU TO MAKE THE DECISIONS?
- 24 IF YOU DON'T HAVE THAT, IT TENDS TO DRAG OUT AND COST
- 25 GOES UP. WHENEVER PEOPLE CAN'T GET DECISION, DOLLARS

- 1 GO UP.
- 2 YOU WANT TO HAVE A TEAM WHO KNOWS THE PROCESS
- 3 THAT YOU'RE ACTUALLY ENGAGING IN. TALKED A LITTLE BIT
- 4 ABOUT THAT EARLIER. DO THEY KNOW WHAT MAKES A QUALITY
- 5 BUILDING TYPE? IF THEY'VE NEVER DONE A RESEARCH
- 6 BUILDING, WHAT EXPERIENCE AND STAFF DO THEY HAVE THAT
- 7 CAN DO THAT? LISTEN AND UNDERSTAND WHO THAT TEAM'S
- 8 CULTURE IS AND HOW THEY'RE GOING TO MAKE THAT WORK.
- THE TEAMWORK AND THE COMMITMENT, THE TEAMWORK
- 10 ALSO INCLUDES ALL THOSE PEOPLE THAT ARE ABOVE, THE
- 11 CAMPUS CHANCELLOR, THE DIRECTOR OF THE PROGRAM, THE
- 12 PEOPLE WHO HAVE TO BUY IN TO MAKE YOUR PROCESS WORK.
- 13 HOW DO THOSE DECISIONS GET MADE? WITHOUT THOSE
- 14 DECISIONS, AND WHETHER IT'S CIRM, WHOEVER IS INVOLVED,
- 15 IF THERE'S NOT A CLEAR COMMUNICATION, THAT WILL DRAG
- 16 YOUR PROCESS DOWN. DO YOU HAVE CONTRACTORS AND
- 17 SUBCONTRACTORS WHO ARE COMMITTED TO THIS, WHO HAVE DONE
- 18 THIS? AND THEN DESIGN PRINCIPLES.
- 19 DRAW ON THE EXPERIENCE OF OTHERS. TALKED A
- 20 LITTLE BIT ABOUT THAT. NO COMPROMISING ON THE QUALITY
- OR FUNCTION. SO WE'RE TALKING ABOUT THE PROCESS, THE
- 22 MATERIALS AND LABORS, THE INSPECTION IN THE FIELD, AND
- 23 THEN YOUR TEAM ON HOW YOU ARE GOING TO OPERATE THIS AND
- 24 CONSTRUCT IT. TRAINING YOUR STAFF, THAT'S PRETTY
- 25 OBVIOUS.

- 1 WANT TO TALK QUICKLY ABOUT ALLOCATION OF
- 2 RISK. NOT ALL RISK IS TRANSFERABLE. WHAT IS AN OWNER
- 3 RESPONSIBLE FOR? IN YOUR PROGRAMS THAT YOU'RE GOING TO
- 4 EVALUATE, YOU'RE RESPONSIBLE FOR SITE, THE DESIGN
- 5 CRITERIA, AND DEFINING YOUR QUALITY STANDARDS. THAT
- 6 NEEDS TO BE CLEAR IN WHATEVER DELIVERY MODEL YOU
- 7 CHOOSE.
- 8 WHAT IS YOUR DESIGN AND CONSTRUCTION TEAM
- 9 RESPONSIBLE FOR: PERFORMANCE, SCHEDULE, COST AND
- 10 QUALITY.
- 11 COUPLE TOOLS FOR SUCCESS. CONTRACTOR,
- 12 ARCHITECT, ENGINEER PREQUALIFICATION. I THINK EVERYONE
- 13 PROBABLY KNOWS WHAT THAT IS, BUT QUICKLY THAT IS MAKING
- 14 SURE THEY HAVE THE EXPERIENCE TO PERFORM YOUR JOB
- 15 BEFORE YOU SIGN THEM UP. SO IN OTHER WORDS, I DON'T
- 16 PREQUALIFY A CONTRACTOR WHO HAS ONLY DONE OFFICE
- 17 BUILDINGS TO DO A LAB BUILDING. I DON'T WANT THEM
- 18 LEARNING ON MY LAB BUILDING. I WANT THEM TO LEARN ON
- 19 SOMEBODY ELSE'S LAB BUILDING, THEN THEY CAN COME DO OUR
- 20 LAB BUILDING.
- 21 REAL-TIME COST ACCOUNTING. THERE'S A LOT OF
- 22 PEOPLE IN INSTITUTIONS WHO DON'T DO REAL-TIME COST
- 23 ACCOUNTING. THEY DO IT EVERY SIX MONTHS, EVERY NINE
- 24 MONTHS, AND PRETTY SOON YOU'VE OVERSPENT YOUR BUDGET,
- 25 AND YOU DON'T EVEN KNOW YOU'VE OVERSPENT IT BECAUSE

- 1 YOU'VE GOT ALL THESE CHANGE ORDERS YOU HAVEN'T MANAGED.
- 2 YOU OUGHT TO HAVE REAL-TIME COST ACCOUNTING THAT
- 3 HAPPENS EVERY SEVEN DAYS AT A MAXIMUM.
- 4 DEVELOP YOUR CORE DOCUMENTS, AND EACH OF YOUR
- 5 INSTITUTIONS WILL PROBABLY HAVE CORE DOCUMENTS, BUT HOW
- 6 DO THEY RELATE TO THE DELIVERY MODEL? MOCK-UPS I'LL
- 7 HIT NEXT. THE QUALITY CONTROL PROCESS, MAKING SURE
- 8 THAT IN WHATEVER DELIVERY MODEL YOU HAVE, YOU ARE
- 9 MANAGING AND CONTROLLING THE QUALITY.
- 10 SO IN A QUALITY CONTROL PROCESS, IT'S IN YOUR
- 11 BID AND IN YOUR PROPOSAL. ARE THEY COMPLIANT WITH WHAT
- 12 YOU ACTUALLY SENT OUT? AND HOW ARE YOU GOING TO
- 13 EVALUATE THAT? AND THERE'S LOTS OF WAYS TO DO THIS.
- 14 YOU JUST NEED TO IDENTIFY WHAT THAT IS. ARE THEY
- 15 COMPLYING WITH THE PROGRAM THAT YOU ACTUALLY -- YOU
- 16 KNOW, YOU'RE GOING TO GRANT A CERTAIN AMOUNT OF MONEY
- 17 FOR A CERTAIN KIND OF PROGRAM. WHAT COMES IN AS A PART
- 18 OF THAT BUILDING PROPOSAL, IS THAT CONSISTENT WITH WHAT
- 19 YOU ACTUALLY SUBMITTED AS PROGRAM RESEARCH THAT WAS
- 20 GOING TO TAKE PLACE IN THERE? SO IF IT HAS 60,000
- 21 SQUARE FEET OF LAB, DOES IT REALLY HAVE 60,000 SQUARE
- FEET OF LAB IN WHAT YOU'RE BUYING? AND THAT IS AN
- 23 ISSUE.
- 24 FUTURE FLEXIBILITY, HOW HAVE YOU ACCOMMODATED
- THE FLEX OVER TIME, THE CHANGE OF RESEARCH. TIME

- 1 MANAGEMENT, HOW'S THE CONTRACTOR, DESIGN BUILDER GOING
- 2 TO MANAGE THEIR TEAM? FIELD MANAGEMENT, AND THEN TO
- 3 CONSTRUCT FULL-SCALE MOCK-UPS.
- 4 NOW, FOR US, WE ACTUALLY OFTEN BUILD A FULL
- 5 SIZE MOCK-UP, AND THAT BECOMES PART OF THE BID PROCESS.
- 6 THAT WAY IT ELIMINATES ANY AMBIGUITY. WHAT ARE WE
- 7 TALKING ABOUT? NO, YOU'RE NOT CAULKING THAT WINDOW IN.
- 8 THERE ACTUALLY HAS TO BE FLASHING AND A CONNECTION.
- 9 ALL THIS STONE WORK THAT YOU SEE DOWN AT THE BOTTOM IS
- 10 ACTUALLY ALL JUST PRECAST CONCRETE, BUT IT'S GOT TO
- 11 LOOK LIKE THIS. IT CAN'T LOOK LIKE SLUMP STONE THAT
- 12 YOU PAINT TO LOOK LIKE CONCRETE BLOCK. SO IT CLARIFIES
- 13 WHAT AM I REALLY GETTING AND ASKING FOR.
- 14 NOW, THIS IS ON A HOSPITAL. OBVIOUSLY THIS
- 15 IS JUST AN ILLUSTRATION, BUT A MOCK-UP OF AN O.R. YOU
- 16 KNOW, THERE'S JUST NO SUBSTITUTE FOR SEEING, NO, I
- 17 REALLY DID MEAN CERTAIN THINGS HAVE TO BE THERE.
- 18 PARTNERING, THIS IS PRETTY SELF-EVIDENT. I'M
- 19 NOT GOING TO GO THROUGH THIS IN DETAIL.
- 20 BUDGET CONTROL PROCESS, IN ANY PROPOSAL THAT
- 21 I LOOK FOR, I'M LOOKING FOR HOW IS MONEY GOING TO BE
- 22 CONTROLLED. HOW ARE YOU GOING TO MANAGE IT WHEN COSTS
- 23 START COMING IN HIGHER? AND HERE'S A COUPLE WAYS OF
- 24 DOING IT.
- THEN, OF COURSE, THIS IS MY FAVORITE. SO

- 1 THIS IS WHERE I'M GOING TO DO A LITTLE DISCUSSION ABOUT
- 2 DESIGN-BUILD, AND THIS IS YOUR LAST SLIDE. SO THE
- 3 INTERESTING THING IN THE STATE OF CALIFORNIA, THE FEDS
- 4 DO THIS ALL THE TIME. THIS IS NOT NEW IN THE FEDERAL
- 5 ARENA, BUT IN THE STATE OF CALIFORNIA, DESIGN-BUILD
- 6 ACTUALLY HAS ONE OF THE BENEFITS THAT THE STATE HAS HAD
- 7 FOR DECADES. WE JUST RECENTLY HAD IT INTERPRETED THIS
- 8 WAY. AND THAT IS CALLED THE BEST AND FINAL OFFER. SO
- 9 THAT MEANS YOU CAN GO OUT TO BID, YOU CAN HAVE YOUR
- 10 PREBID CONFERENCES, AND I'M JUST KIND OF DOING THIS
- 11 FLOW DIAGRAM, YOU CAN HAVE YOUR CONFIDENTIAL ONE-ON-ONE
- 12 DISCUSSIONS WITH YOUR DESIGN-BUILD TEAMS. BUT IF
- 13 THERE'S ANY CHANGE TO THE PROJECT THAT DEALS WITH THE
- 14 PROGRAM, THE SCOPE, OR THE PERFORMANCE, YOU MUST ISSUE
- 15 IT AS AN ADDENDA TO ALL PROPOSERS. IF IT'S PROPRIETARY
- AND DOES NOT CHANGE ONE OF THESE THINGS; FOR EXAMPLE,
- 17 THEY WANT TO CHANGE FROM A CONCRETE BUILDING TO A STEEL
- 18 BUILDING, THE VIBRATION DOESN'T CHANGE, THE COLUMN
- 19 SPACING DOESN'T CHANGE, THAT IS THEIR INNOVATIVE
- 20 PROPRIETARY INNOVATION. THEY GET TO HOLD THAT AS THEIR
- 21 COMPETITIVE EDGE. YOU DON'T ISSUE THAT. THAT WOULD BE
- 22 CALLED BID LEVELING, AND THAT'S VERY ILLEGAL.
- THEY THEN SUBMIT THEIR PROPOSAL, AND SAY IT
- 24 COMES IN HIGHER THAN THE DOLLARS YOU HAVE. YOU DO YOUR
- 25 BLIND TECHNICAL EVALUATION, YOU OPEN THE BIDS; AND IF

- 1 YOUR DOLLARS ARE HIGHER THAN WHAT YOU HAVE, YOU THEN
- 2 CAN REVISE YOUR CRITERIA, YOU CAN ENGAGE IN PERSUASIVE
- 3 DISCUSSIONS, AND THEY CAN THEN REVISE THEIR PROPOSAL,
- 4 AND GIVE YOU THEIR BEST AND FINAL OFFER. THAT ALLOWS
- 5 YOU NOT TO HAVE TO REDESIGN, SPEND MORE TIME, AND GO
- 6 BACK OUT TO BID A SECOND TIME. THE INDUSTRY LIKES THIS
- 7 BECAUSE THEY DON'T WANT TO BID TWO TIMES. THEY JUST
- 8 WANT TO BID ONCE BECAUSE FOR A CONTRACTOR TO BID THE
- 9 KIND OF PROJECTS WE'RE TALKING ABOUT, IT COSTS THEM,
- 10 YOU KNOW, IF THEY'RE DOING A DESIGN-BUILD, ABOUT
- 11 \$100,000. IF THEY'RE JUST DOING A TRADITIONAL, IT
- 12 STILL COSTS THEM ABOUT 40 OR 50. THEY DON'T WANT TO
- 13 BID TWICE. THEY WANT YOU TO FIND A WAY OF MAKING THAT
- 14 AWARD. SO IN THE STATE OF CALIFORNIA, THIS ACTUALLY IS
- 15 A PROCESS THAT HAS BEEN UTILIZED SUCCESSFULLY.
- AND THAT IS THE END. QUESTIONS?
- 17 (APPLAUSE.)
- 18 MR. KLEIN: IN YOUR EVALUATION OF THE SAVINGS
- 19 FROM DIFFERENT PROCESSES, YOUR FIGURES SHOW A
- 20 DESIGN-BUILD PROCESS WOULD SAVE APPROXIMATELY 32
- 21 PERCENT. WHEN YOU LOOK AT THE BREAKDOWN OF WHERE THE
- 22 SAVINGS CAME FROM, IS THE PRIMARY SOURCE FROM THE SPEED
- 23 AT WHICH THE PROCESS GOES FORWARD, SO YOU'RE SAVING
- 24 YOUR ESCALATORS?
- MS. GLADSON: YES. THAT IS ONE SOURCE, BUT

- 1 THE SECOND SOURCE IS HISTORICALLY IN A DESIGN-BUILD
- 2 LABORATORY BUILDING, WE SPEND SOMEWHERE ABOUT ONE AND A
- 3 HALF PERCENT ON CHANGE ORDERS VERSUS A TYPICAL PROJECT
- 4 WHICH MIGHT SPEND 5 TO 8 PERCENT. SO YOU ARE SAVING
- 5 MONEY THERE.
- THE OTHER AREA, AND THIS IS A LITTLE BIT
- 7 HARDER TO QUANTIFY, BUT WE ACTUALLY HAVE DONE SOME
- 8 EVALUATION OF THIS. IN THIS CURRENT MARKET CONDITION
- 9 WHERE WE'VE HAD HUGE ESCALATION IN THE LAST TWO AND A
- 10 HALF, THREE YEARS, SOME OF OUR PROJECTS WERE BUDGETED
- 11 FOUR AND FIVE YEARS AGO THROUGH THE STATE PROCESS. WE
- 12 WOULD ACTUALLY COME IN, IF YOU TAKE A LOOK, WE WOULD
- 13 ADVERTISE WHAT THIS MAXIMUM ALLOWABLE CONTRACT IS, AND
- 14 WHEN WE ACTUALLY OPENED THEM, WE WOULD BE SOMEWHERE
- 15 BETWEEN 5 AND 10 PERCENT OVER BUDGET FOR THE SAME
- 16 PROGRAM. WE WOULD REVISE OUR CRITERIA AND ALLOW MORE
- 17 INNOVATION, AND THE CONTRACTOR DESIGN-BUILD TEAMS, THEY
- 18 WOULD USUALLY BUILD TO GET US WITHIN 5 TO 7 PERCENT.
- 19 SO THEY WOULD TAKE ANOTHER 5 TO 7 PERCENT OUT.
- 20 SO IF YOU LOOK AT THE SCHEDULE, YOU LOOK AT
- THE REDUCED CHANGE ORDERS, AND YOU LOOK AT THE
- 22 INNOVATIONS, THAT'S WHERE YOU START LOOKING AT THE
- 23 SIGNIFICANT SAVINGS. THEN, OF COURSE, THE ONE THAT
- 24 GENERAL COUNSEL DOESN'T WANT TO HEAR, BUT GENERALLY
- 25 IT'S DESIGN, BID, BUILD, LITIGATE, OR AT LEAST GO

- 1 THROUGH CLAIMS. YOU DON'T GENERALLY HAVE CLAIMS WITH
- 2 DESIGN-BUILD BECAUSE YOU'VE GOT AN INTEGRATED TEAM. SO
- 3 WHEN YOU LOOK AT THAT COST, THAT'S ALSO A COST THAT
- 4 ULTIMATELY SOMEBODY HAS TO PAY IF YOU END UP WITH THAT
- 5 SITUATION. SO IT'S REALLY THE COMBINATION OF THOSE.
- DR. HALL: I HAVE TWO QUESTIONS. ONE IS
- 7 YOU'RE VERY PERSUASIVE, SO I DON'T UNDERSTAND WHY
- 8 EVERYBODY DOESN'T DESIGN-BUILD. COULD YOU EXPLAIN TO
- 9 US WHAT DISADVANTAGES OR WHY DO PEOPLE PERSIST IN DOING
- 10 IT THE OLD-FASHIONED WAY AS CHARITABLY AS POSSIBLE?
- 11 MY SECOND QUESTION IS THERE ARE NO NUMBERS IN
- 12 TERMS OF TIMELINE, AND I WONDER IF YOU COULD GIVE US
- 13 SOME IDEA OF WHAT A TYPICAL TIMELINE IS FOR A RESEARCH
- 14 BUILDING AT INSTITUTIONS LIKE YOURS OR DESIGN-BUILD
- 15 VERSUS THE OTHER, HOWEVER YOU WANT TO DO IT.
- MS. GLADSON: SO LET ME ANSWER THEM ONE AT A
- 17 TIME. WHY DO MORE PEOPLE NOT DO DESIGN-BUILD? WELL,
- 18 HISTORICALLY THE INDUSTRY HAS NOT GEARED ITSELF TOWARDS
- 19 THAT. A LOT OF ARCHITECTS ARE NOT COMFORTABLE WITH
- 20 DESIGN-BUILD. I WAS JUST RECENTLY BACK AND SPOKE TO
- 21 FIVE UNIVERSITIES IN MISSOURI, AND ONE OF THEIR PRIMARY
- 22 ISSUES WAS I WOULD LOSE CONTROL OF THE DESIGN. AND
- 23 ACTUALLY IF I WAS HERE REALLY TRYING TO PERSUADE YOU,
- 24 I'D SHOW YOU AWARDING WINNING DESIGN-BUILD LABORATORY
- 25 BUILDINGS.

- 1 BUT TO MANAGE THAT DESIGN PROCESS TAKES A LOT
- OF WORK. SO IF YOU WERE TO ASK ME HOW DO I STAFF, I
- 3 STAFF PROBABLY TWICE WHAT A NORMAL STAFFING WOULD BE ON
- 4 A DESIGN-BUILD. BUT I'VE ALSO NOT BEEN TO COURT IN 14
- 5 YEARS. SO WHAT IT COSTS ME TO HIRE A COUPLE MORE STAFF
- 6 ON A PROJECT IS NOTHING COMPARED TO ONE CLAIM. SO
- 7 YOU'VE GOT THE ISSUE OF THE ARCHITECTURAL PROFESSION
- 8 HAS NOT BEEN PARTICULARLY EMBRACING OF DESIGN-BUILD.
- 9 YOU NEED STAFF THAT CAN IMPLEMENT IT, SO YOU'VE GOT TO
- 10 HAVE A STAFF TRAINING. AND I RUSHED THROUGH SOME OF
- 11 THESE SLIDES, BUT AN OWNER THAT'S GOING TO DO THIS
- 12 EITHER NEEDS TO HIRE AN OUTSIDE ENTITY TO HELP THEM
- 13 MANAGE OR THEY NEED TO TRAIN.
- 14 DR. HALL: I ASSUME THAT ISSUE OF WHAT WE
- 15 USED TO CALL AT UCSF WFA'S, THAT IS, WORLD FAMOUS
- 16 ARCHITECTS, IS AN ISSUE, MAYBE NOT, BUT YOU OFTEN HAVE
- 17 A DONOR THAT WANTS TO HAVE A VERY HIGH PROFILE
- 18 ARCHITECT. AND I DON'T KNOW HOW MANY OF THOSE ARE
- 19 COMFORTABLE DOING IT THIS WAY OR THEY DO IT ALL OR NOT.
- 20 I'M JUST CURIOUS.
- MS. GLADSON: LET ME GIVE YOU AN ANSWER TO
- THOSE, AND LET ME FIRST ANSWER YOUR QUESTION ABOUT
- 23 SCHEDULE. AT THE UNIVERSITY WE HAVE ACTUALLY BUILT AN
- 24 80,000 SQUARE FOOT BIOMEDICAL RESEARCH LABORATORY
- 25 BUILDING WITH THE GCRC IN 20 MONTHS, FROM CONSTRUCTION

- 1 TO MOVE-IN. THAT'S OUR HEWITT HALL.
- DR. HALL: FROM CONSTRUCTION, YOU MEAN FROM
- 3 DESIGN, THE WHOLE THING?
- 4 MS. GLADSON: DESIGN. FROM THE DAY WE
- 5 STARTED.
- DR. HALL: YOU SET YOUR BUILDING COMMITTEE.
- 7 MS. GLADSON: RIGHT. SO THIS WAS FROM THE
- 8 DAY WE SIGNED THE CONTRACT, WE START DESIGN, WE GET THE
- 9 DESIGN DONE, WE GET THIS CONSTRUCTION DONE, AND IN 20
- 10 MONTHS WE'RE DONE. THEY THEN TAKE A COUPLE OF MONTHS
- 11 TO MOVE IN, SET UP ALL THEIR EQUIPMENT, AND IN 22
- 12 MONTHS THEY ARE UP AND OPERATING AND RUNNING
- 13 EXPERIMENTS.
- 14 DR. HALL: THAT'S AMAZING BECAUSE JUST THE
- 15 CONSTRUCTION PHASE OFTEN TAKES AS MUCH AS TWO YEARS.
- MS. GLADSON: SEE, THE BEAUTY OF THE
- 17 DESIGN-BUILD IS IT ALLOWS YOU TO OVERLAP. SO IT GIVES
- 18 YOU MULTIPLE PACKAGES, SO THEY'RE DOING THE SITE
- 19 DRAWINGS AND THEY'RE DOING THE FOUNDATION FRAME
- 20 DRAWINGS. THEY COMPLETE THOSE, AND THEY HAVEN'T EVEN
- 21 STARTED THE INTERIOR DRAWINGS, BUT YOU START EXCAVATING
- 22 FOR ALL THE FOUNDATIONS. WHILE THEY'RE DOING THE NEXT
- 23 SET OF DRAWINGS, YOU'RE BUILDING, SO IT'S MOVING ALONG
- 24 LIKE THIS (INDICATING). THAT'S WHERE IT TAKES THE
- 25 STAFF TO MANAGE THAT PROCESS ALL THE WAY THROUGH. IF

- 1 YOU HAD TO DO IN A LINEAR, THEN IT WOULD TAKE YOU MUCH
- 2 LONGER.
- 3
 IF YOU WANT, I WAS REALLY TRYING NOT TO JUST
- 4 SELL YOU DESIGN-BUILD, SO I DIDN'T BRING ALL OF MY
- 5 DATA. BUT IT'S REALLY THAT.
- 6 NOW, DEALING WITH THE WORLD FAMOUS DESIGNERS,
- 7 LET ME JUST TELL YOU SOME OF THE PEOPLE THAT HAVE
- 8 ACTUALLY DONE THIS FOR US. YOU KNOW EHDD WHO DID
- 9 MONTEREY BAY AQUARIUM, PRETTY WELL KNOWN FIRM. HOK,
- 10 THEY HAVE DONE THIS WITH US. WE'VE HAD JOHNSON *PHANE
- 11 WORK ON PROJECTS WITH US. SO IF YOU TALK ABOUT AWARD
- 12 WINNING ARCHITECTS, WE HAVE THEM, BUT IT IS A DIFFERENT
- 13 MANAGEMENT OF THEM. THEY HAVE TO BE WILLING TO BE A
- 14 PART OF THAT TEAM. AND THERE'S SLOWLY A SHIFT IN THAT
- 15 DIRECTION, BUT IT'S SLOW.
- 16 NOW, WAS THERE ANOTHER PART OF YOUR QUESTION
- 17 I DIDN'T ANSWER? YOU ASKED ABOUT FOUR. I CAN ONLY
- 18 REMEMBER THREE.
- 19 DR. HALL: I THINK THAT'S FINE.
- MS. GLADSON: ANY OTHER QUESTIONS?
- MR. REED: DOES DESIGN-BUILD MEAN THAT YOU
- 22 MAKE A SEPARATE BUILDING, OR CAN YOU WORK WITHIN
- 23 EXISTING STRUCTURES IF WE ONLY HAVE A MAXIMUM OF 3
- 24 PERCENT OF OUR TOTAL BUDGET FOR THIS STUFF?
- 25 MS. GLADSON: LET ME MAKE SURE I UNDERSTAND

- 1 THE QUESTION. COULD YOU ACTUALLY USE THIS AS A PART OF
- 2 A RENOVATION OF A BUILDING?
- 3 MR. REED: RIGHT.
- 4 MS. GLADSON: WE ACTUALLY HAVE DONE THAT.
- 5 IT'S A LITTLE BIT MORE DIFFICULT, BUT WE'RE ACTUALLY
- 6 DOING THAT WITH A VIVARIUM RIGHT NOW IN THE BASEMENT OF
- 7 ONE OF THESE DESIGN-BUILD BUILDINGS THAT WE DID
- 8 EARLIER. THEY FOUND THE MONEY TO BUILD OUT THE
- 9 BASEMENT, AND WE'RE DOING THE VIVARIUM AS A
- 10 DESIGN-BUILD, SO WE HAVE DONE THAT, YES.
- 11 MR. SIMPSON: NOW, IT STRIKES ME THAT WHETHER
- 12 YOU GO WITH DESIGN-BUILD OR WHETHER YOU FOLLOW THE
- 13 TRADITIONAL METHOD, THAT WILL ULTIMATELY BE UP TO THE
- 14 GRANTEE ORGANIZATION THAT'S GETTING THE MONEY. WOULD
- 15 YOU SUGGEST THAT IT WOULD BE APPROPRIATE FOR THIS
- 16 WORKING GROUP TO ADOPT A POLICY THAT REQUIRED
- 17 DESIGN-BUILD?
- 18 MS. GLADSON: NO. I WOULD NOT PROPOSE THAT
- 19 YOU DO THAT. YOU GUYS WILL OBVIOUSLY DISCUSS THAT
- 20 INTERNALLY. I THINK WHEN YOU START IMPOSING
- 21 RESTRICTIONS AND REQUIREMENTS, YOU MAY IMPOSE SOMETHING
- 22 THAT A TEAM WOULD NOT BE SUCCESSFUL WITH. AND YOU
- 23 COULD ACTUALLY CREATE A SITUATION, SHOOT YOURSELF IN
- 24 THE FOOT BY SAYING USE A DELIVERY MODEL THAT THEY'RE
- 25 NOT EXPERIENCED WITH. SO I THINK WHAT YOU WANT TO

- 1 DO -- I'D LOVE TO SAY, YEAH, MAKE THEM DO IT
- 2 DESIGN-BUILD, BUT I DON'T THINK THAT'S THE WISEST THING
- 3 TO DO.
- 4 I THINK WHAT YOU WANT TO DO IS EVALUATE HOW
- 5 GOOD ARE THEY AT WHAT THEY DO DELIVER, AND HOW FAST CAN
- 6 THEY DELIVER IT? SO BACK AT ONE OF THE EARLIER SLIDES
- 7 OF THE METRICS, WHAT'S THEIR PERFORMANCE? WHAT'S THEIR
- 8 EXPERIENCE? SO ASK THEM HOW LONG DOES IT TAKE TO DO
- 9 THIS PROJECT AND GIVE YOU THE HISTORICAL FACTS.
- 10 MR. SIMPSON: THE GRANTEE, YOU MEAN?
- MS. GLADSON: YES.
- MR. KLEIN: WOULD IT BE APPROPRIATE, IN
- ANSWERING JOHN'S QUESTION, TO SAY THERE MAY BE SOME
- 14 APPLICANTS WHO ARE TWO YEARS DOWNSTREAM IN A PROCESS.
- 15 THEY'VE TAKEN BIDS, THEY'VE REBID IT, THEY'VE BROUGHT
- 16 IN CONTRACTORS AND SUBCONTRACTORS, REFINED IT DOWN, SO
- 17 THEY ARE ABLE TO BE COMPETITIVE ON THAT BASIS; BUT
- 18 DESIGN-BUILD MAY DRIVE MANY OTHERS WHO ARE NOT AS FAR
- 19 DOWNSTREAM BECAUSE OF TIME AND COST CONSIDERATIONS TO
- 20 GO TO DESIGN-BUILD.
- MS. GLADSON: AND THEY COULD DO THAT LEARNING
- 22 CURVE WITH THEIR STAFFS IN THE MEANTIME. YES. THAT
- TRAINING PROGRAM.
- MR. SERRANO-SEWELL: I HAVE A -- THIS IS A
- 25 VERY INTERESTING PRESENTATION. THANK YOU. BUT FROM

- 1 THE CIRM'S SORT OF STAFFING PERSPECTIVE AND SOMETHING
- 2 THAT ZACH IS GOING TO HAVE TO GIVE A LOT AND ARLENE
- 3 GIVE A LOT OF THOUGHT ABOUT ONCE WE GET THE FACILITIES
- 4 STAFF PERSON, AND THAT IS, WE'RE THE GRANTING
- 5 ORGANIZATION. HOW ARE WE GOING TO LEAD? ONCE THE
- 6 GRANT'S OUT THE DOOR, GRANTEES, HOW ARE WE GOING TO
- 7 MANAGE THEM? ARE WE GOING TO HAVE -- WHATEVER MODEL WE
- 8 DECIDE TO USE, THERE'S A HUGE DISCONNECT BETWEEN CIRM
- 9 AND THE FUNDED INSTITUTION, WHETHER IT BE ONE OF THESE
- 10 INDEPENDENTS OR A LARGER ONE AND THERE'S COST OVERRUNS.
- 11 AND HOW MUCH OF THAT DO WE JUST WANT TO DELEGATE TO THE
- 12 INSTITUTION ITSELF AND LET THEM DEAL WITH THE
- 13 SUBCONTRACTORS, LET THEM DEAL WITH THOSE HEADACHES? WE
- 14 JUST WANT TO SAY AN END RESULT, WHENEVER THAT HAPPENS.
- 15 QUITE FRANKLY, I'M SORT OF -- I DON'T REALLY
- 16 KNOW. WHAT'S THE BEST WAY IN WHICH WE CAN ENSURE THAT
- 17 WE'RE GETTING A RETURN FOR OUR DOLLAR? THAT THE
- 18 INSTITUTIONS ARE BEING HONEST WITH US? THAT THEY ARE
- 19 DELIVERING AS PROMISED? THAT THEY'RE HOLDING THEIR END
- 20 OF THE BARGAIN? AND WHAT SORT OF STAFFING WE SHOULD
- 21 HAVE ON OUR END TO MONITOR THAT.
- MS. GLADSON: YOU GUYS HAVE A LOT OF
- 23 RESPONSIBILITY IN THAT REGARD BECAUSE, AS YOU SAY, YOU
- 24 ARE THE GRANTING. SOME OF THE THINGS YOU MIGHT WANT TO
- 25 CONSIDER IS DO YOU GET A MONTHLY OR EVERY OTHER MONTH

- 1 REPORT THAT DEALS WITH THE REAL-TIME COST ACCOUNTING?
- 2 PEOPLE THAT SIGN THE CONTRACTS ARE THE ONES WHO ARE
- 3 GOING TO BE ON THE HOOK FOR THE OVERRUNS. IT'S NOT
- 4 GOING TO BE YOU GUYS. I THINK IT GOES BACK TO TRACK
- 5 RECORD. WHAT'S THEIR TRACK RECORD? WHAT KIND OF
- 6 REPORTS ARE YOU ARE GOING TO GET EVERY OTHER MONTH OR
- 7 HOWEVER FREQUENTLY YOU WANT IT? ARE YOU GOING TO DO
- 8 ANY KIND OF FIELD AUDITS?
- 9 I MEAN, NIH, THEY DO A FIELD AUDIT. AT THE
- 10 END OF A PROJECT, THEY COME OUT -- THEY CAN COME OUT
- 11 EVEN DURING THE PROJECT. BUT THEY REVIEW THE PLANS,
- 12 THEY REVIEW BIDS. YOU DON'T WANT TO MAKE THIS BE A BIG
- 13 PROCESS THAT SLOWS THINGS DOWN, BUT THEY'LL ACTUALLY
- 14 COME OUT AND WALK THE PROJECT. IS IT CONSISTENT, WHAT
- 15 YOU BUILD, WITH THE GRANT THAT YOU GOT?
- 16 I THINK THERE IS SOME MODELS FOR THAT. WE
- 17 CAN CERTAINLY HAVE A DIALOGUE ABOUT THAT, SOME OF THE
- 18 TOOLS THAT WOULD BE USEFUL TO PROVIDE YOU THAT
- 19 INFORMATION. ONE OF MY PHILOSOPHY IS YOU DON'T WANT TO
- 20 CREATE NEW TOOLS. WHAT YOU'D LIKE TO DO, BECAUSE
- 21 YOU'RE NOT TRYING TO CREATE BUSY WORK, BUT IF THEY
- 22 ACTUALLY HAVE MANAGEMENT PRACTICES IN PLACE AND COST
- 23 ACCOUNTING IN PLACE, JUST HAVE THEM SEND YOU A COPY OF
- 24 WHAT THEY DO. I MEAN IF THEY'RE ALREADY DOING IT,
- 25 THAT'S NOT THAT BIG OF AN EFFORT TO SEND IT UP TO YOU

- 1 OR PERIODICALLY THAT YOU DO A SITE VISIT, THOSE KINDS
- 2 OF THINGS. WHAT YOU DON'T WANT TO DO IS MAKE A LOT OF
- 3 EXTRA WORK FOR YOURSELF. WHAT YOU DEFINITELY DO
- 4 PROBABLY WANT TO KNOW: IS YOUR MONEY BEING WISELY
- 5 SPENT?
- DR. WRIGHT: MARCH-IN RIGHTS FOR BUILDINGS IS
- 7 A LITTLE MORE COMPLICATED THAN MARCH-IN RIGHTS FOR --
- 8 MS. GLADSON: ABSOLUTELY TRUE.
- 9 MR. KLEIN: I THINK THERE WAS SOMETHING YOU
- 10 SAID THAT WAS VERY IMPORTANT IN RESPONSE TO DAVID'S
- 11 QUESTION, WHICH IS WE CAN SET A POLICY THAT SAYS THIS
- 12 IS YOUR GRANT. YOU HAVE A PERFORMANCE REQUIREMENT TO
- 13 US TO DELIVER. AND IF THERE ARE OVERRUNS, YOU HAVE THE
- 14 RESPONSIBILITY TO DEAL WITH THOSE OVERRUNS SO THAT
- 15 WE'RE NOT ON THE HOOK FOR AN ONGOING FINANCIAL
- 16 OBLIGATION. WE ARE PERFORMANCE ORIENTED TO MAKE SURE
- 17 WE GET THE PRODUCT THAT MEETS THE PERFORMANCE CRITERIA.
- 18 THEY CAN HAVE SOME INNOVATION INVOLVED, BUT THEY HAVE
- 19 TO MEET OUR PERFORMANCE CRITERIA.
- 20 YOU CAN ALSO CONTRACT OUT FOR CONSTRUCTION
- 21 INSPECTIONS TO THIRD PARTIES THAT HAVE EXPERTISE SO
- 22 THAT YOU DON'T HAVE TO INTERNALIZE THAT KIND OF
- 23 EXPERTISE WITHIN OUR GROUP.
- DR. HALL: WHY DON'T WE MOVE ON TO OUR NEXT
- 25 SPEAKER UNLESS WE HAVE SOMETHING SPECIFIC. WHAT I WAS

- 1 GOING TO SUGGEST IS WE HAVE A GENERAL DISCUSSION
- 2 AFTERWARDS.
- 3 CHAIRMAN DOMS: I WANT TO ADDRESS THIS LAST
- 4 ISSUE. WHEN BOB AND I FIRST TALKED, ONE OF THE THINGS
- 5 THAT I'M VERY, VERY FOCUSED ON IS ACCOUNTABILITY DURING
- 6 THE PROCESS. AND SITE INSPECTIONS, BUDGET SCHEDULE,
- 7 THOSE KINDS OF ISSUES, WE NEED SOMEBODY EITHER IN HOUSE
- 8 OR ON A CONSULTING BASIS BECAUSE, AS YOU MOVE
- 9 DOWNSTREAM, IF YOU GET INTO TROUBLE, YOU CAN SAY THAT
- 10 THE CONTRACTOR, ETC., HAS THE ULTIMATE
- 11 RESPONSIBILITIES, BUT YOU ARE GOING TO HAVE TO WORK
- 12 THIS OUT AT THE END. AND PERSONALLY I FEEL EXTREMELY
- 13 STRONGLY ABOUT THE MONITORING PROCESS FROM DAY ONE TO
- 14 SUCCESSFUL COMPLETION OF THAT. AND I'M GOING TO WORK
- 15 VERY HARD TO MAKE SURE THAT THOSE SAFEGUARDS ARE THERE
- 16 AS WE GO DOWNSTREAM, AND WE ARE FULLY INFORMED AS TO
- 17 HOW THAT PROJECT IS PROGRESSING. AND IF THERE ARE ANY
- 18 PROBLEMS, WE'RE NOTIFIED EARLY IN THE PROCESS SO THAT,
- 19 IF WE HAVE TO GET INVOLVED TO WORK WITH THEM TO SOLVE
- THESE PROBLEMS, WE CAN BE HELPFUL IN ANY WAY, WE WILL
- 21 DO THAT.
- DR. HALL: GREAT.
- 23 MR. SHEEHY: I GUESS WHAT CONCERNS ME IS THAT
- 24 WE HAVE A WHOLE SCIENTIFIC METRIC THAT'S GOING TO BE
- 25 IMPOSED ON THIS. SO YOU CAN IMAGINE AN INSTITUTION

- 1 WITH THE VERY BEST SCIENTISTS THAT ARE GOING TO BE VERY
- 2 BAD AT ALL PARTS OF THIS PROCESS. AND WHAT IS THE
- 3 WAY --
- 4 MS. GLADSON: I DON'T ENVY YOU YOUR JOB.
- 5 MR. SHEEHY: HOW DO WE COVER FOR THAT? WE
- 6 JUST GIVE IT TO PERHAPS UC IRVINE WHO OBVIOUSLY HAS
- 7 GREAT PROCESSES AND HAS GREAT SCIENTISTS.
- 8 MS. GLADSON: THAT'S A CHALLENGE. I THINK
- 9 THAT'S ONE OF THE DILEMMAS THAT YOU FACE.
- 10 MR. SHEEHY: DO WE BUILD CENTERS AND THEN LET
- 11 THE INSTITUTIONS THAT COMPRISE THE CENTERS TAKE
- 12 DIFFERENT -- PERHAPS UC IRVINE COMPETES AGAINST ANOTHER
- 13 PARTNER THAT WOULD BE A PARTNER IN THE CENTER, AND WE
- 14 LET THE ONE THAT'S THE MOST COMPETENT IN TERMS OF
- 15 GOOD --
- 16 MS. GLADSON: I THINK THAT'S WHY ZACH HAD
- 17 THIS PANEL TO ACTUALLY GIVE YOU SO MUCH INFORMATION
- 18 BECAUSE THAT IS ONE OF YOUR CHALLENGES. IT'S A
- 19 DILEMMA. THANK YOU VERY MUCH.
- 20 (APPLAUSE.)
- DR. HALL: WE WANT TO HEAR FROM OUR NEXT
- 22 SPEAKER, AND THEN I HOPE WE CAN RETURN TO SOME OF THESE
- 23 ISSUES, JIM HAD TO LEAVE, BUT IN A SORT OF PANEL
- 24 DISCUSSION FORMAT SO THAT WE DRAW ON THE WISDOM OF ALL
- 25 OUR PANELISTS HERE.

- 1 IT'S ACTUALLY VERY MUCH A PERSONAL PLEASURE
- FOR ME TO INTRODUCE OUR NEXT SPEAKER, CURT WILLIAMS,
- 3 WHO'S THE VICE PRESIDENT OF CAMPUS DEVELOPMENT AND
- 4 FACILITIES MANAGEMENT AT USC AND DOING THE, AT THE TIME
- 5 I WAS AT THE KECK SCHOOL OF MEDICINE, IT WAS MY
- 6 PLEASURE TO WORK WITH CURT. IN FACT, I'LL SAY MORE
- 7 THAN THAT. HE TOOK OVER THE POSITION WHILE I WAS THERE
- 8 AND BROUGHT ORDER AND STABILITY AND EXPERIENCE TO THE
- 9 SITUATION. I'LL JUST BADLY NEEDED IT. I REALLY
- 10 ENJOYED WORKING WITH HIM.
- 11 HE BRINGS A GREAT DEAL OF RELEVANT EXPERIENCE
- 12 TO THE TASK TODAY. HE'S TRAINED IN CIVIL AND
- 13 STRUCTURAL ENGINEERING. HE WORKED AT STANFORD
- 14 UNIVERSITY FOR MANY YEARS, AND THEN HE OVERSAW THE
- 15 CONSTRUCTION OF THE BILLION-DOLLAR GETTY CENTER IN LOS
- ANGELES, AND THEN SUBSEQUENT TO THAT MOVED ON TO USC.
- 17 CURT, OUR PLEASURE TO HAVE YOU HERE TODAY.
- 18 MR. WILLIAMS: WELL, IT'S GOING TO BE A
- 19 LITTLE COUNTERPOINT TO REBEKAH, AND I THINK A GOOD
- 20 DISCUSSION AMONG THIS GROUP BECAUSE I'VE HAD THE
- 21 PRIVILEGE MY ENTIRE CAREER OF WORKING FOR PRIVATE
- 22 INSTITUTIONS, AND WHETHER IT'S STANFORD OR THE GETTY OR
- 23 USC. AND WE HAVE SOME FLEXIBILITY RELATIVE TO THE
- 24 PROJECT DELIVERY SYSTEM THAT A PUBLIC INSTITUTION
- 25 DOESN'T HAVE.

- 1 AND CONSEQUENTLY I HAVE A SLIGHTLY DIFFERENT
- 2 SLANT, BUT HAVE A LOT OF ADMIRATION FOR REBEKAH IN
- 3 BEING ABLE TO, WITHIN THE PUBLIC INSTITUTION, FIND WAYS
- 4 TO GET AWAY FROM THE TRADITIONAL DESIGN, BID, BUILD,
- 5 LITIGATE CONCEPT THAT SHE MENTIONED BECAUSE I THINK IT
- 6 IS ONE THAT IS FRAUGHT WITH TREMENDOUS PROBLEMS. AND
- 7 THE PUBLIC IS NOT WELL SERVED IN THE LONG TERM FROM
- 8 THAT PROCESS.
- 9 AND I'VE BEEN CHALLENGED A LOT OF TIMES OVER
- 10 MY CAREER SORT OF ABOUT THE VALUE ISSUE, ABOUT WHETHER
- 11 YOU -- PRICE VERSUS VALUE AND WHETHER DOING HARD BIDS,
- 12 DO YOU GET THE BEST VALUE FOR A PROJECT. AND I'VE
- 13 NEVER BEEN ABLE TO DO TWO IDENTICAL PROJECTS,
- 14 UNFORTUNATELY, SIDE BY SIDE AND DO DIFFERENT DELIVERY
- 15 METHODS TO BE ABLE TO SHOW WHETHER ONE GIVES YOU BETTER
- 16 OR NOT. BUT I DEEP IN MY HEART BELIEVE THAT THERE ARE
- 17 BETTER WAYS THAN THAT.
- 18 I WILL ECHO A FEW THINGS THAT REBEKHA HAS
- 19 SAID. AND ONE IS THE NEED FOR ABSOLUTE COLLABORATION
- OF OWNER, DESIGN TEAM, AND THE BUILD TEAM. AND HOW YOU
- 21 GO ABOUT DOING THAT, YOU CAN DO IT A NUMBER OF
- 22 DIFFERENT WAYS. DESIGN-BUILD IS ONE OF THEM. WE HAVE
- 23 THE PRIVILEGE OF BEING ABLE TO BRING A CONTRACTOR ON
- 24 ALMOST AT THE SAME TIME WE BRING AN ARCHITECT ON. WE
- 25 HAVE SEPARATE CONTRACTS WITH THE TWO ORGANIZATIONS AS

- 1 OPPOSED TO PUTTING THEM ALL UNDER ONE, BUT WE STILL BE
- 2 ABLE TO BUILD THAT TEAM, THAT COLLABORATION, AMONG THAT
- 3 GROUP. AND, IN FACT, WITHIN OUR INSTITUTION, PART OF
- 4 THAT TEAM IS THE USER GROUP, THE PEOPLE THAT ARE
- 5 ACTUALLY GOING TO BE LIVING IN THE BUILDING WHEN IT
- 6 GETS DONE, PLUS THE PEOPLE FROM MY ORGANIZATION THAT
- 7 REALLY MANAGE THAT PROCESS. AND SO IT IS INCREDIBLY
- 8 IMPORTANT TO BRING THAT TEAM TOGETHER.
- 9 AND I HOPE, AS YOU DEBATE HOW YOU ARE GOING
- 10 TO DO THESE GRANTS, THAT IT IS MUCH MORE ON A
- 11 PERFORMANCE-BASED ISSUE. THERE CAN BE LOTS OF
- 12 OVERSIGHT, BUT I HOPE YOU DON'T GET IN AND DICTATE YOU
- 13 MUST DO IT THIS WAY OR YOU MUST DO IT THAT WAY BECAUSE
- 14 I THINK THAT WILL BE A DISSERVICE TO THE INSTITUTIONS
- 15 BECAUSE THEY ALL HAVE SLIGHTLY DIFFERENT FLAVORS.
- 16 WITHIN THE UC SYSTEM, THEY CAN DELIVER A PROJECT REALLY
- 17 WELL, BUT IT WILL BE A DIFFERENT FLAVOR THAN THE WAY
- 18 REBEKHA DOES IT. STANFORD PROBABLY DOES IT -- THEY DID
- 19 IT WHEN I WAS THERE. THE WAY I DO IT AT USC, THEY
- 20 PROBABLY DO IT SLIGHTLY DIFFERENT. THEY'VE DONE SOME
- 21 DESIGN-BUILD, THEY'VE DONE SOME OTHER TECHNIQUES. I
- 22 THINK THEY TYPICALLY DO THE SAME WAY THAT WE DO AT USC
- 23 IN THE SENSE THAT THEY HAVE THE FLEXIBILITY.
- 24 ANOTHER THING THAT I WILL ECHO IS THE MOST
- 25 IMPORTANT THING IS TO GET SCOPE AND BUDGET IN LINE AT

- 1 THE BEGINNING AND NOT TRY TO BE FIGHTING THAT BATTLE
- 2 ALL ALONG THE PROCESS BECAUSE THAT'S WHERE YOU GET BAD
- 3 PROJECTS BECAUSE THEN YOU TAKE MONEY OUT AT THE VERY
- 4 END, WHICH YOU SORT OF RAPE A PROJECT AND YOU END UP
- 5 ONE IN WHICH EITHER YOU'RE GOING TO PAY FOR IT VERY
- 6 HEAVILY DURING THE MAINTENANCE TYPE OF ISSUES OR YOU'RE
- 7 JUST GOING TO GET A NONFUNCTIONING BUILDING. SO THE
- 8 UP-FRONT PROGRAMMING PART, AND THIS SCHEDULE -- I'M
- 9 SORRY. I THINK THERE WERE SOME HANDOUTS, BUT THE WHOLE
- 10 CONCEPT, DEVELOPMENT, PROGRAMMING EFFORT IS EXTREMELY
- 11 IMPORTANT. DIFFERENT INSTITUTIONS DO IT DIFFERENT
- 12 WAYS.
- 13 CURRENT INSTITUTION I'M AT IS QUITE
- 14 DECENTRALIZED, SO TRYING TO BRING TOGETHER
- 15 INSTITUTIONAL NEEDS AND COMPARING FACILITIES AND HOW DO
- 16 YOU TAKE ADVANTAGE OF VIVARIA THAT ARE BUILT, IMAGING,
- 17 A LOT OF THESE REALLY COSTLY ISSUES IN THE BEST WAY.
- 18 ONE OF OUR BIG CONCERNS IS HOW DO YOU KEEP FEDERAL
- 19 DOLLARS FOR STEM CELL DIFFERENT FROM STATE DOLLARS FOR
- 20 STEM CELL. AND HOW DO YOU AVOID THE NEED TO DUPLICATE
- 21 A LOT OF STUFF THAT WOULD SERVE BOTH PURPOSES VERY
- 22 WELL: BUT BECAUSE OF THE REGULATIONS, YOU MAY NEED TO
- 23 KEEP DIFFERENT. SO THAT'S A WORRY TO US ABOUT HOW YOU
- 24 DO THAT, AND, AGAIN, TO MAXIMIZE THE OVERALL USE OF
- 25 DOLLARS FOR RESEARCH AND NOT DO A LOT OF DUPLICATION.

- 1 SO I THINK THAT'S SOMETHING ELSE THAT INSTITUTIONS HAVE
- 2 TO TAKE INTO ACCOUNT.
- 3 ONE OF THE THINGS THAT HASN'T BEEN TOUCHED ON
- 4 IN ANY OF THE PRESENTATIONS, AND IT VARIES BY
- 5 INSTITUTION AGAIN, AND THAT IS, WHEN YOU'RE BUILDING
- 6 FROM GROUND UP, THE WHOLE WHAT I CALL ENTITLEMENT
- 7 PROCESS, AND THAT IS YOUR GOVERNMENT APPROVALS TO BE
- 8 ABLE TO BUILD A BUILDING. AND I KNOW STANFORD HAS DONE
- 9 A PROGRAM WHERE THEY, WITH SANTA CLARA COUNTY, HAD THE
- 10 ABILITY TO BUILD X SQUARE FEET OVER A CERTAIN NUMBER OF
- 11 YEARS. WE'RE DOING SIMILAR THINGS, BUT A LOT OF TIMES
- 12 THAT PROCESS, IF YOU HAVE TO DO AN ENVIRONMENTAL IMPACT
- 13 REPORT, YOU HAVE TO GO THROUGH A LOT OF THAT PROCESS IN
- 14 ITSELF IS A COUPLE-OF-YEAR PROCESS PROBABLY TO GET THE
- 15 ENTITLEMENTS TO ALLOW YOU TO ACTUALLY DIG A HOLE IN THE
- 16 GROUND AND BUILD A BUILDING. SO DIFFERENT
- 17 INSTITUTIONS, AS YOU GO OUT FOR REQUESTS, REALLY THAT
- 18 WILL BE AN IMPORTANT THING IS DO THEY HAVE THE
- 19 ENTITLEMENTS IN PLACE TO BE ABLE TO BUILD A BUILDING?
- 20 AND NOT ALL CASES THERE WILL BE.
- IN OUR PROCESS WE'RE ABLE VERY CLOSELY, AND
- THIS CAN BE ALMOST WITHIN WEEKS OF EACH OTHER, SELECT
- 23 AN ARCHITECT AND A CONTRACTOR. AND, AGAIN, WE HAVE THE
- 24 PRIVILEGE OF BEING ABLE TO BE VERY SELECTIVE IN WHO WE
- 25 EVEN TAKE PROPOSALS FROM ON ARCHITECTS. AND SO WE KNOW

- 1 THAT THEY HAVE DONE THIS KIND OF BUILDING BEFORE AND
- 2 THAT THEY HAVE EXPERIENCE IN DOING THAT. THE SAME WITH
- 3 CONTRACTORS. AND EVERY PLACE I'VE BEEN WE HAVE HAD
- 4 LONG-STANDING RELATIONSHIPS WITH THESE FIRMS, AND SO
- 5 THEY'RE NOT COMING TO DO JUST THIS PROJECT AND YOU WILL
- 6 NEVER SEE THEM AGAIN. THEY WANT TO WORK WITH THE
- 7 INSTITUTION LONG-TERM, AND SO THE WHOLE ISSUE OF
- 8 BUILDING TEAM AND ALL IS MUCH EASIER WHEN THERE'S THAT
- 9 SENSE.
- 10 I'VE, AGAIN, HAD THE PRIVILEGE OF OVER 25
- 11 YEARS OF NEVER HAVING A LAWSUIT, SO WHATEVER WE KNOCK
- 12 ON KIND OF THING, BECAUSE, AGAIN, WHEN YOU GET
- 13 ATTORNEYS INVOLVED AND EVERYBODY IS COVERING THEIR
- 14 FANNIES TO TRY TO DOCUMENT THINGS, NOBODY WINS. AND SO
- 15 YOU BUILD THIS TYPE OF RELATIONSHIP.
- 16 WE TYPICALLY GO INTO THE DESIGN WITH THE
- 17 CONTRACTOR SITTING AT THE TABLE WITH THE ARCHITECTS AND
- 18 WITH THE USERS. AND, AGAIN, KNOWING WHAT OUR TARGET
- 19 BUDGET IS, WHAT WE'RE TRYING -- WHAT OUR TARGET PROGRAM
- 20 IS, WORKING THROUGH DESIGN ISSUES. WE USE LOTS OF
- 21 MOCK-UPS VERY EARLY IN THE GAME OF TRYING TO FIGURE OUT
- 22 HOW TO SOLVE PROBLEMS IN COMPLEX BUILDINGS. AT SOME
- 23 POINT ALONG THE PROCESS HERE, WE GET TO A GUARANTEED
- 24 MAXIMUM PRICE IN WHICH, AT THAT POINT IN TIME, THE
- 25 CONTRACTOR IS SAYING I CAN BUILD IT FOR THAT AMOUNT.

- 1 AND, AGAIN, AS REBEKHA SAID, THE WHOLE ISSUE
- OF RISK IS EXTREMELY IMPORTANT, IS THAT IF YOU WANT TO
- 3 PUT ALL THE RISK ON SOMEBODY ELSE, THEN THE PRICE GOES
- 4 UP, AND YOU NEED TO BALANCE THE RISK ISSUES WITH
- 5 UNDERSTANDING ABOUT WHAT RISK THE UNIVERSITY OR
- 6 WHATEVER INSTITUTION IT IS SHOULD TAKE AS OPPOSED TO
- 7 PUTTING IT ON THE CONTRACTOR.
- 8 AND THEN WE MOVE IN -- WE'RE FACED LATELY
- 9 WITH A HUGE DILEMMA IN THE CITY OF LOS ANGELES. THE
- 10 WHOLE PERMITTING PROCESS IS JUST OUT OF CONTROL. THE
- 11 WHOLE CONSTRUCTION, BUSINESS IS UP, THEIR STAFFING IS
- 12 DOWN, AND SO WE ARE MOVING PERMITTING WAY BACK IN HERE
- 13 TO GET DOCUMENTS IN THERE SO THAT WE CAN GET PERMITS
- 14 BECAUSE THEY'RE QUOTING SOMETIMES AS LONG AS SIX MONTHS
- 15 TO GET A BUILDING PERMIT OUT. SO ALL THAT HAS TO BE
- 16 TAKEN INTO ACCOUNT AS FAR AS HOW YOU FACTOR THAT IN
- 17 WHEN YOU GET PROPOSALS BACK IN, THAT WE'RE GOING TO BE
- 18 ABLE TO MEET THIS 24-MONTH-TYPE CRITERIA IS A CHALLENGE
- 19 BECAUSE THERE'S SOME TIMELINES THAT ARE A LITTLE BIT
- 20 OUT OF OUR CONTROL.
- 21 WE TRY TO MANAGE THAT AS WELL AS WE CAN, BUT
- 22 STILL, AND I DON'T KNOW WHETHER OTHER JURISDICTIONS, I
- 23 DON'T KNOW WHAT THE STATE'S PROCESS IS. ALL I KNOW IS
- 24 THE CITY OF L.A. IS VERY, VERY DIFFICULT NOW.
- AND THEN INTO THE CONSTRUCTION, AND YOU CAN

- 1 OVERLAP THESE. AND SOME OF THE THINGS THAT REBEKAH WAS
- 2 TALKING ABOUT IS THAT YOU'RE OVERLAPPING A LOT OF THESE
- 3 PROCESSES. AGAIN, HOW GOOD A NUMBER DO YOU HAVE BEFORE
- 4 YOU DIG THE HOLE IN THE GROUND IS ONE OF THE ISSUES
- 5 THAT WE TALK ABOUT.
- 5 JUST A POINT ABOUT, AND ZACH HAD MENTIONED
- 7 WHEN HE AND I HAD TALKED, WHERE CERTAIN AMOUNTS OF
- 8 FUNDING ARE REQUIRED. TO DO PROGRAMMING RELATIVELY
- 9 INEXPENSIVE, QUARTER OF A MILLION DOLLARS PROBABLY
- 10 MAXIMUM IN THAT FRAME TO DO A DETAILED PROGRAM FOR THE
- 11 BUILDING. WE TYPICALLY GO TO OUR BOARD AND GET, BEFORE
- 12 WE HIRE AN ARCHITECT AND START DESIGN, WE GO TO GET
- 13 WHAT WE CALL PRECONSTRUCTION FUNDING, WHICH WE USUALLY
- 14 USE 10 PERCENT OF WHAT OUR PROJECTED PROJECT COST IS.
- 15 SO IF IT'S A \$50 MILLION PROJECT, WE WOULD SEEK
- 16 AUTHORIZATION TO SPEND \$5 MILLION UP HERE, SO YOU HAVE
- 17 TO HAVE THE SOURCE OF THE \$5 MILLION TO BE ABLE TO DO
- 18 THAT BECAUSE YOU'RE PAYING ARCHITECT'S BILLS AND OTHER
- 19 BILLS DURING THAT TIME.
- 20 AND THEN WHEN YOU COMMIT TO THE GMP AND ARE
- 21 ACTUALLY GOING TO BREAK GROUND AND START CONSTRUCTION,
- 22 THEN YOU NEED THE REMAINING AMOUNT OF THE FUNDING
- THAT'S FOR A PROJECT, THE REMAINING 45 MILLION OR SO.
- 24 AT USC, AND I THINK THE SAME WAS TRUE OF
- 25 STANFORD WHEN I WAS THERE, THE SOURCE OF FUNDS

- 1 PRINCIPALLY FOR NEW BUILDINGS HAS BEEN A COMBINATION
- 2 PRIMARILY OF GIFTS AND DEBT, TAX-EXEMPT BONDS THAT ARE
- 3 USED. THERE IS SOME NIH GRANT MONEY. MOST OF THAT IS
- 4 USED FOR EITHER EQUIPMENT OR SOME LAB BUILD-OUTS, VERY
- 5 SELDOM. I DON'T KNOW OF ANY SINCE I'VE BEEN THERE FOR
- 6 GROUND-UP-TYPE CONSTRUCTION. MORE RELIANCE OF LATE ON
- 7 DEBT. THAT, OF COURSE, IS TO BE REFUNDED BY INDIRECT
- 8 COST FROM RESEARCH PRIMARILY BECAUSE AS BUILDINGS GET
- 9 MORE AND MORE EXPENSIVE. TRYING TO RAISE A HUNDRED
- 10 MILLION OR \$150 MILLION OR SOMETHING LIKE THAT OF GIFTS
- 11 IS VERY, VERY DIFFICULT TO DO. SO MUCH MORE RELIANCE
- 12 ON DEBT OVER THE LAST FEW YEARS, I THINK, IN THE MAJOR
- 13 PRIVATE INSTITUTIONS TO DO THAT.
- 14 SO, AGAIN, AT THE END ONE OF THE THINGS THAT
- 15 WE'VE FOUND OF LATE, THESE BUILDINGS ARE VERY COMPLEX.
- 16 THE BENEFIT OF HAVING GOOD CONTRACTORS, GOOD
- 17 SUBCONTRACTORS IS A HUGE BENEFIT. BUT STILL, THE WHOLE
- 18 COMMISSIONING PROCESS OF GETTING A BUILDING UP AND
- 19 OPERATING THE WAY IT'S SUPPOSED TO SO IT REALLY
- 20 FUNCTIONS TO MEET THE NEEDS OF THE RESEARCHERS IS
- 21 EXTREMELY IMPORTANT, AND THAT'S A SPECIALIZATION TO
- 22 HAVE FIRMS COME AND ACTUALLY WHAT THEY CALL COMMISSION
- 23 A BUILDING AND MAKE SURE ALL YOUR AIR FLOWS ARE RIGHT
- 24 AND YOUR ENERGY CONSERVATION IS WHAT IT SHOULD BE AND
- THOSE KIND OF THINGS, AGAIN, IS AN IMPORTANT PART OF

- 1 OUR DELIVERY PROCESS.
- 2 SO WITH THAT, REALLY WE'LL TAKE QUESTIONS.
- 3 MR. SERRANO-SEWELL: I THINK IT BEARS
- 4 REPEATING. MY LIMITED EXPERIENCE IN THE LAND USE
- 5 ENTITLEMENT PROCESS JUST HERE IN SAN FRANCISCO, THE
- 6 ARCHITECT, REBEKHA SPOKE TO IT, I THINK EVERYONE HAS
- 7 ADDRESSED IT, BUT NOT ONLY RETAINING AN ARCHITECT
- 8 THAT'S QUALITY, THAT'S GOOD, CERTAINLY, THAT HAS SOME
- 9 VISION. BUT IS FAMILIAR WITH THE STATE'S BUILDING
- 10 ELECTRICAL, PLUMBING CODE BECAUSE YOU'RE RIGHT. ONCE
- 11 IT GOES TO THE PLANNING DEPARTMENT FOR THE CITY OF LOS
- 12 ANGELES AND THEY'RE INUNDATED AND THEY HAVE THEIR OWN
- 13 BUREAUCRACY AND ALL THAT STUFF, IF YOU SUBMIT A SET OF
- 14 PLANS THAT ARE GREAT ON PAPER, BUT TECHNICALLY ARE
- 15 CHALLENGING OR CHALLENGING FOR STAFF TO COMPREHEND, YOU
- 16 ARE JUST GOING TO ADD MORE AND MORE TIME TO IT. SO THE
- 17 ARCHITECTS THAT I'VE WORKED WITH, THEY ARE ARCHITECTS
- 18 AND THEY HAVE HAD TRAINING IN THE STATE'S BUILDING
- 19 CODE, I FIND THAT THOSE PROJECTS MOVE ALONG A LOT
- 20 FASTER. THAT'S SORT OF A MICROMANAGING KIND OF
- 21 THING --
- MR. WILLIAMS: THAT WILL BE ONE OF THE
- 23 QUESTIONS. FOR EXAMPLE, IF USC OR STANFORD GETS A
- 24 GRANT, ARE THEY SUBJECT TO THE STATE BUILDING CODE?
- MR. SERRANO-SEWELL: UC WOULDN'T BE, BUT I

- 1 THINK --
- MR. WILLIAMS: OR ARE THEY SUBJECT TO THE
- 3 JURISDICTION, LIKE WE'RE IN THE CITY OF LOS ANGELES,
- 4 STANFORD IS IN SANTA CLARA COUNTY, THOSE ARE -- AND
- 5 THEY'RE ALL -- DOES THE OFFICE OF STATE ARCHITECT PLAY
- 6 A ROLE OR NOT IN ALL OF THE PROJECTS? I WOULD ARGUE
- 7 AGAINST THAT, BUT I THINK THAT'S ONE OF THE ISSUES IS
- 8 WHO IS THE CONTROLLING AGENCY ON SOME OF THESE KIND OF
- 9 PERMIT ISSUES?
- 10 DR. HALL: ONE QUESTION I'D LIKE TO ASK, AND
- 11 MAYBE EITHER OR BOTH OF YOU COULD COMMENT ON IT. AND
- 12 THAT IS, WHAT IS RISK ON THE PART OF THE INSTITUTION?
- 13 WE'RE GOING TO BE GIVING OUT GRANTS. SO THE QUESTION
- 14 IS TO WHAT EXTENT -- HOW DOES THE PROCESS WORK SO
- 15 THAT -- HOW MUCH DOES YOUR INSTITUTION LET YOU DO IN
- 16 ADVANCE OF A GRANT? LET'S SAY YOU'RE GOING TO APPLY
- 17 FOR A GRANT, YOU DON'T KNOW IF YOU'RE GOING TO GET THE
- 18 MONEY OR NOT, YOU'RE OBVIOUSLY GOING TO DRAW UP PLANS
- 19 FOR IT, BUT WHAT KIND OF APPROVALS ARE REQUIRED
- 20 INTERNALLY IN YOUR INSTITUTIONS IN ORDER TO PROCEED
- 21 WITH A BUILDING? AND HOW FAR -- HOW DOES THAT WORK
- 22 BEFORE YOU'RE ACTUALLY COMMITTED TO IT? YOU DON'T KNOW
- 23 IF YOU'RE GOING TO GET THE GRANT OR NOT AT SOME POINT,
- OR YOU MAY HAVE A SOME DONOR, YOU DON'T KNOW IF IT'S
- 25 GOING TO COME IN OR NOT. HOW DOES ALL THAT WORK?

- 1 MR. WILLIAMS: FOR US WE WOULD HAVE TO HAVE A
- 2 BACKSTOP STRATEGY THAT WOULD SAY IF WE DON'T GET THE
- 3 GRANT, WHAT IS THE FUNDING SOURCE THAT'S GOING TO FILL
- 4 THAT GAP TO COVER THE COST BEFORE THEY WOULD LET US.
- DR. HALL: BEFORE THE BOARD OF TRUSTEES --
- 6 MR. WILLIAMS: BEFORE THE BOARD WOULD LET US
- 7 START ON A PROJECT. OKAY. IF WE DON'T GET A GRANT
- 8 FROM CIRM, ARE WE GOING TO BORROW ANOTHER \$10 MILLION
- 9 OR WHATEVER TO FILL THAT VOID BECAUSE WE -- I THINK OUR
- 10 BOARD WOULD PROBABLY LET US MOVE THROUGH THE
- 11 PRECONSTRUCTION PHASE TO THE POINT OF ACTUALLY SIGNING
- 12 A CONTRACT UNDER OUR DOLLARS, HOPING THAT WE WOULD GET
- 13 A GRANT. AND THEN THE BIG DECISION POINT IS, OKAY,
- 14 WE'RE READY TO BREAK GROUND, WE HAVE ALL OUR PERMITS,
- 15 WE'RE READY TO GO, WE HAVEN'T HEARD FROM YOUR
- ORGANIZATION WHETHER WE'RE GOING TO GET THE GRANT, DO
- 17 THEY FEEL OPTIMISTIC AND BACKSTOP IT WITH GIFT FUNDS OR
- 18 SOME OTHER FUNDS?
- 19 MS. GLADSON: ZACH, WITHIN UC THERE'S A
- 20 PROVISION FOR CAMPUSES TO HAVE APPROVAL FOR P MONEY,
- 21 PRELIMINARY MONEY. THAT'S ANOTHER SOURCE OF FUNDS LIKE
- 22 A GIFT SO THAT YOU CAN MOVE ALL THE WAY THROUGH THAT
- 23 PERIOD WITH THAT TEMPORARY MONEY OR THAT PRELIMINARY
- 24 MONEY. SO WE ACTUALLY HAVE THE ABILITY TO DO THAT.
- 25 DR. HALL: MOVING BEYOND THAT WOULD DEPEND ON

- 1 THE GRANT, OR YOU WOULD HAVE A CONTINGENCY PLAN?
- MS. GLADSON: RIGHT. YOU'D EITHER HAVE A
- 3 CONTINGENCY PLAN OR YOU'D HAVE TO HAVE A GRANT IN
- 4 PLACE. FOR UC, WE DON'T HAVE TO PULL BUILDING PERMITS,
- 5 SO WE HAVE SORT OF THIS LITTLE BIT OF AN ADVANTAGE.
- 6 THERE'S OTHER THINGS LIKE STATE CONTRACT CODES WE HAVE
- 7 TO BE COMPLIANT WITH, BUT WE ACTUALLY DON'T PULL
- 8 BUILDING PERMITS. IT'S ONE OF THE SMALL BENEFITS HERE
- 9 THAT WE DON'T HAVE THAT --
- 10 MR. WILLIAMS: YOU APPROVE YOUR OWN EIR'S AND
- 11 STUFF.
- DR. HALL: MAYBE IF WE'RE USING STATE MONEY,
- 13 WE WON'T NEED ANY KIND OF PERMITS.
- 14 MS. GLADSON: IT'S SOMETHING WORTH LOOKING
- 15 AT.
- MR. WILLIAMS: I'LL LET YOU GO TALK TO THE
- 17 CITY OF L.A.
- 18 MS. GLADSON: BUT I THINK THAT'S AN IMPORTANT
- 19 QUESTION. SO WITHIN UC, YES, THERE IS A PROCESS FOR
- 20 DOING PRELIMINARIES BEFORE A GRANT.
- MR. KLEIN: IN TERMS OF THIS PROCESS, THE
- 22 ARGUMENT AT TIMES THAT'S MADE FOR SEPARATE CONTRACTS
- 23 WITH THE ARCHITECT AND CONTRACTOR IS THAT IF THE
- 24 ARCHITECT IS IN A DESIGN-BUILD, THEY'RE GOING TO REDUCE
- THE PROGRAMMING AND FUNCTIONAL REQUIREMENTS OR

- 1 MAINTENANCE REQUIREMENTS BECAUSE THEY'RE TRYING TO GET
- THE MOST COMPETITIVE BID.
- NOW, WE HAVE A SYSTEM AT UC IRVINE WHERE THEY
- 4 HAVE SUCH AN EXPERIENCED STAFF, THEY CAN POLICE ALL OF
- 5 THOSE ISSUES. MANY INSTITUTIONS DON'T HAVE THE QUALITY
- 6 OF STAFF TO POLICE THOSE ISSUES SO THAT THERE IS A
- 7 BENEFIT WITH THE SEPARATE CONTRACT FOR AN ARCHITECT IN
- 8 THAT MANY USERS BELIEVE THEY ARE MORE TRUE TO THE
- 9 PROGRAM GOALS IF THERE'S NOT SOMEONE OF TREMENDOUS
- 10 DEPTH ON THE OWNER'S SIDE TO POLICE THE PROCESS.
- 11 MR. WILLIAMS: THE ARGUMENT IS THAT CHECK AND
- 12 BALANCE ON QUALITY PRIMARILY, IS THE CONTRACTOR GOING
- 13 TO, BECAUSE THEY HAVE THE ARCHITECT UNDER THEM, BULLY
- 14 THEM INTO ALLOWING THEM? THAT'S ONE ARGUMENT. I'M NOT
- 15 ADVOCATING ONE OR THE OTHER. THEY CAN ALL WORK. YOU
- 16 HAVE TO HAVE THE TEAM CONCEPT AND EVERYBODY IN THIS
- 17 TOGETHER TO DELIVER IT. EVERYBODY'S DETERMINED THAT
- 18 THE SUCCESS OF THE PROJECT IS THE MOST IMPORTANT THING,
- 19 NOT THE ADVERSARIAL RELATIONSHIP. AND HOW YOU MANAGE
- 20 THAT, YOU CAN DO IT IN MULTIPLE WAYS.
- MR. KLEIN: IF YOU GO TO THE SMALLER SCALE
- 22 PROJECT, SAY, A SHARED LAB FACILITY, AND LET'S SAY IT'S
- 4 TO 5,000 SQUARE FEET, DOES THE CITY OF L.A. HAVE AN
- 24 EXPEDITED ROUTE FOR, IN QUOTES, OVER-THE-COUNTER, BUT
- 25 SOME MODIFIED PROCESS FOR FAST PERMITTING?

- 1 MR. WILLIAMS: I THINK EVERYBODY NOW PAYS THE
- 2 EXPEDITED FEE.
- 3 MR. KLEIN: WHAT'S THE TIMETABLE FOR 4 TO
- 4 5,000 SQUARE FEET FOR AN EXPEDITED?
- 5 MR. WILLIAMS: YOU'RE NOT DOING IT
- 6 OVER-THE-COUNTER IF IT'S GOT ELECTRICAL, PLUMBING, FUME
- 7 HOODS, ALL THAT KIND OF STUFF.
- 8 MR. KLEIN: RIGHT. I'M JUST MEANING MODIFIED
- 9 OVER-THE-COUNTER, BUT IT'S AN EXPEDITED PROCESS.
- 10 MR. WILLIAMS: YEAH. IT'S STILL PROBABLY
- 11 GOING TO BE SIX WEEKS OR SOMETHING LIKE THAT TO GET
- 12 THOSE KIND OF PERMITS. AND THEY UNDERSTAND THE PROBLEM
- 13 AND ARE WORKING HARD TO TRY TO SOLVE IT. AND IF
- 14 THERE'S A SLOW-DOWN IN THE MARKET. AND ANOTHER THING
- 15 THAT REBEKHA POINTED OUT IS THAT ESCALATION IS A MAJOR
- 16 FACTOR ON PROJECTS IS THE SENSE THAT WE'RE STILL
- 17 HEARING 10, 12 PERCENT A YEAR. WE KEEP HOPING THAT
- 18 THAT'S GOING TO SLOW DOWN.
- 19 MS. HYSEN: I'M MOST FAMILIAR WITH OFFICE
- 20 BUILDING CONSTRUCTION. WHAT IS RELATIVELY THE COST
- 21 DIFFERENCE BETWEEN A TYPICAL OFFICE BUILDING
- 22 CONSTRUCTION AND SOMETHING THAT YOU'D HAVE TO BUILD TO
- 23 THE LEVEL OF, WHATEVER LEVEL MEDICAL LABS WOULD REQUIRE
- 24 FOR SOMETHING OF THIS NATURE? AND THEN WHAT ARE THE
- 25 OPERATING COSTS ONCE YOU COMPLETE THOSE BUILDINGS? AND

- 1 ALSO THE TIMEFRAME? ARE THERE DIFFERENCES BETWEEN A
- 2 TYPICAL OFFICE BUILDING AND A MEDICAL LAB?
- 3 MR. WILLIAMS: OH, YES, IN ALL FRONTS. WE
- 4 BUILD A MAJOR LAB BUILDING THAT WE COMPLETED A YEAR AND
- 5 A HALF AGO FOR RIGHT AT \$500 A SQUARE FOOT THAT HAD
- 6 SOME VIVARIA SPACE IN IT AND ALL. WE'RE BUILDING --
- 7 WE'RE DESIGNING A SIMILAR BUILDING NOW THAT WILL START
- 8 CONSTRUCTION, IS SCHEDULED TO START CONSTRUCTION
- 9 SOMETIME NEXT YEAR. THE COST ESTIMATES ARE \$800 A
- 10 SQUARE FOOT.
- DR. WRIGHT: THAT'S THE OFFICE SPACE.
- MR. WILLIAMS: THIS IS WET LAB SPACE. OVER
- 13 THE LAST THREE TO FOUR YEARS, ALMOST A 50-PERCENT
- 14 INCREASE IN THE COST OF CONSTRUCTION.
- NOW, I DON'T KNOW. WE DON'T BUILD VERY MANY
- 16 STRAIGHT OFFICE BUILDING, ESPECIALLY DEVELOPER-TYPE
- 17 OFFICE BUILDINGS, AND THE WHOLE ISSUE AND A LOT OF
- 18 TIMES THE DEVELOPER BUILDING IS YOU DON'T DO MUCH
- 19 INTERIORS BECAUSE THAT'S TENANT BUILDOUT. TYPICALLY AN
- 20 ACADEMIC BUILDING IS BUILT OUT DOWN TO THE FURNITURE
- 21 AND EVERYTHING ELSE. WE TRY TO BUILD -- AND I THINK
- 22 ONE OF THE THINGS TOWARD BIOMEDICAL-TYPE RESEARCH IS TO
- 23 BUILD MORE GENERIC LABS.
- 24 WHEN I WAS AT STANFORD, WE WOULD CUSTOM LAB
- 25 FOR A RESEARCHER. THERE WERE LOTS OF WALLS AND THAT

- 1 KIND OF STUFF, MUCH MORE CUSTOM. AND WE SORT OF THREW
- 2 OUT THE THING. WE SHOULD BUILD GENERIC LABS. AND A
- 3 RESEARCHER THAT IS TOP IN HIS FIELD SAYS, "WELL, I'M
- 4 NOT GENERIC. I'M NOT GOING TO LIVE IN A GENERIC LAB."
- 5 BUT THERE'S MUCH MORE OF A TENDENCY NOW TO LIVE IN THE
- 6 OPEN LAB, SHARE TISSUE CULTURES, SHARE COLD ROOMS,
- 7 SHARED FREEZERS, ALL THESE KINDS OF THINGS. SO...
- 8 MS. HYSEN: AND THEN A QUESTION I HAVE ON
- 9 THAT. THE COMMISSIONING PROCESS, BECAUSE THE ONLY
- 10 BUILDING THAT I BUILT THAT WAS HEALTH RELATED WAS THE
- 11 HEALTH SERVICES LAB IN RICHMOND. AND WE HAD A LOT OF
- 12 ISSUES, LOT OF ISSUES, ONE OF WHICH WAS THAT IT WASN'T
- 13 A COMMISSIONED BUILDING. AND THE TOLERANCES OF SOME OF
- 14 THE HVAC SYSTEMS AND SOME OF THAT JUST REALLY DIDN'T
- 15 FUNCTION WELL FOR THE SCIENTISTS.
- 16 DO YOU FIND THAT A COMMISSIONING PROCESS IS
- 17 REALLY REQUISITE FOR A HEALTH LAB KIND OF ARRANGEMENT?
- 18 MR. WILLIAMS: YES, FOR THESE NEW, VERY
- 19 COMPLEX LABS. AND THE COMMISSIONING PERSON HAS TO BE
- 20 INVOLVED DURING THE DESIGN PROCESS TO UNDERSTAND THAT
- THE DESIGN IS GOING TO BE CAPABLE OF DELIVERING THE
- TOLERANCES IF THERE'S VERY TEMPERATURE, HUMIDITY, OR
- 23 AIR FLOW-THROUGH FUME HOODS, AND THAT KIND OF THING.
- 24 SO THEY'RE INVOLVED ALL THE WAY THROUGH. AT THE END,
- 25 TO MAKE SURE THE BUILDING IS REALLY BALANCED AND ALL

- 1 THOSE KIND OF THINGS IN A WAY --
- MS. HYSEN: AND YOU HAVE A SEPARATE CONTRACT
- 3 FOR THEM. WHAT'S A TYPICAL COST ON A PER SQUARE FOOT
- 4 BASIS?
- 5 MR. WILLIAMS: I CAN GET THAT. I DON'T KNOW
- 6 IT OFF THE TOP OF MY HEAD.
- 7 MS. HYSEN: AND THAT SORT OF FUNCTIONS, IT
- 8 DID FOR ME, IT FUNCTIONED AS MY MEDIATOR, MY BUFFER
- 9 BETWEEN THE DESIGN-BUILD TEAM AND THE OWNER.
- 10 MR. REED: ON THE ASSIGNMENT OF RISK, KNOWING
- 11 NOTHING ABOUT THIS AT ALL, HOW BIG A FACTOR IS THIS? I
- 12 WOULD IMAGINE WE WANT TO HAVE THAT FACTORED IN SINCE
- WHEN OUR LIMIT IS REACHED, THERE'S NOTHING MORE.
- 14 MR. WILLIAMS: AGAIN, I THINK FROM MY
- 15 PERSPECTIVE IS THAT IF THE AGENCY WERE TO AWARD A GRANT
- 16 TO AN INSTITUTION, THAT'S THE LIMIT OF THEIR LIABILITY
- 17 IS IF THEY GIVE \$20 MILLION AND THEY'RE GOING --
- 18 THEY'RE SUPPOSED TO GET SO MUCH LAB SPACE AND ALL THAT.
- 19 THE INSTITUTION IS ON THE HOOK IF THEY CAN'T DELIVER
- THAT PROGRAM FOR THE \$20 MILLION. SO I THINK THE RISK
- 21 TO CIRM IS ZERO IN THAT REGARD. THEY HAVE TO JUST LOOK
- 22 TO THE INSTITUTION TO DELIVER.
- THERE'S A LOT OF RISK FACTORS THAT AN OWNER,
- 24 AN INSTITUTION, FACES RELATIVE TO THE DESIGN AND
- 25 CONSTRUCTION SIDE THAT IS A BALANCE. REBEKHA USED THE

- 1 ONE THAT'S A VERY GOOD ONE FOR UNDERGROUND TYPE OF
- 2 STUFF, SAYING YOU'RE RESPONSIBLE FOR EVERYTHING. AND
- 3 THEY CANNOT BE. THE CONTRACTOR CANNOT BE RESPONSIBLE
- 4 FOR EVERYTHING. AND SO YOU HAVE TO BALANCE THAT AND
- 5 UNDERSTAND. A LOT OF IT IS A JUDGMENT FACTOR THAT
- 6 VARIES BY PROJECT.
- 7 MR. REED: SO HOW MUCH WOULD THE UNDERGROUND
- 8 RISK ASSIGNMENT BE?
- 9 MS. GLADSON: TEN PERCENT. DEPENDING ON THE
- 10 SITE AND HOW LONG SINCE THAT SITE HAS BEEN TOUCHED, YOU
- 11 COULD EASILY SEE AN 8 TO 10 PERCENT. IS THERE
- 12 UNDERGROUND ASBESTOS?
- MR. WILLIAMS: HAZARDOUS MATERIAL, MOST WILL
- 14 NOT TOUCH HAZARDOUS MATERIAL. THEY'RE GOING TO WANT
- 15 THE SITE CLEAN AND ALL THAT. AND MOST CONTRACTORS WILL
- 16 JUST SAY THAT'S SOMEBODY ELSE'S BABY.
- 17 MR. REED: WE HAVE A FACTORY OUT WHERE I LIVE
- 18 THAT NO ONE WILL BUY BECAUSE THERE'S TOXIC WASTE
- 19 UNDERNEATH IT, SO IT'S GONE. IT'S OFF THE MARKET.
- 20 THAT'S THE ONLY THING I CAN RELATE IT TO. SO
- 21 FINANCIALLY THIS IS JUST SOMETHING THAT WE HAVE TO
- 22 FORESEE AND --
- 23 MR. WILLIAMS: BUT IN THE PROPOSALS, THEN,
- 24 YOU NEED TO HAVE ASSURANCES FROM THE INSTITUTION THAT
- 25 THOSE KIND OF THINGS ARE ADDRESSED.

- 1 MS. GLADSON: ACTUALLY I THINK THERE'S
- 2 SOMETHING YOU CAN DO. THAT IS, FOR EXAMPLE, YOU CAN GO
- 3 IN AND DO BORINGS 30 FEET ON CENTER AND ACTUALLY
- 4 DETERMINE THE SOIL PERFORMANCE. YOU CAN DETERMINE
- 5 WHETHER THERE'S HAZARDOUS MATERIALS. YOU CAN SPEND
- 6 SOME MONEY UP FRONT INVESTIGATING THE SITE, AND THAT'S
- 7 WHAT YOU'D WANT TO DO BECAUSE THEN AS AN OWNER, YOU
- 8 WOULD SAY, OKAY. I KNOW IT HAS THIS, SO I'M GOING TO
- 9 SET ASIDE THIS MUCH MONEY TO DEAL WITH IT. I'LL TAKE
- 10 THAT RESPONSIBILITY AND NOT GIVE IT TO THAT CONTRACTOR.
- 11 BECAUSE THAT WAY HE'S NOT GOING TO BUILD HIS BID WITH A
- 12 FEAR FACTOR OF THE UNKNOWN. SO YOU'RE LIMITING HIS
- 13 RISK. YOU'RE CARRYING THE RISK, BUT YOU MAKE AN
- 14 INFORMED DECISION. YOU KNOW, YOU DO ADEQUATE TESTING
- 15 OF THAT SOIL FOR THE UNDERGROUNDS. YOU CAN DO
- 16 ULTRASOUNDS OF UTILITIES, AND YOU JUST HAVE TO DO YOUR
- 17 DUE DILIGENCE.
- 18 CHAIRMAN DOMS: CURT, ON YOUR PROJECT
- 19 DEVELOPMENT PROCESS, YOU SAID THAT YOU COULD APPLY FOR
- 20 A GRANT. ONE OF OUR GOALS IS TO GET THE MONEY OUT AND
- 21 GET RESULTS AS QUICKLY AS POSSIBLE. IF YOU LOOK AT
- THIS SCHEDULE HERE, YOU'RE TALKING PROBABLY, WHAT, FIVE
- 23 YEARS?
- MR. WILLIAMS: THREE AND FIVE. MUCH DEPENDS
- 25 ON THE UP-FRONT PART ABOUT HOW QUICKLY --

- 1 CHAIRMAN DOMS: I'M TALKING ABOUT FROM WHEN
- 2 YOU START PROGRAMING. YOU SAID AN INSTITUTION LIKE USC
- 3 COULD LOOK AT A GRANT AT THE TIME WHEN YOU HAD YOUR
- 4 PROGRAMMING COMPLETE, YOUR DESIGN AND YOUR PERMITTING,
- 5 YOU'RE READY TO GO, YOU'RE READY TO TURN THE SHOVEL IN
- 6 THE GROUND AND MOVE FORWARD. I WANT TO ADDRESS THE
- 7 SAME QUESTION TO YOU SPECIFICALLY AS A STATE
- 8 INSTITUTION. WHERE ARE YOU -- HOW FAR ARE YOU PREPARED
- 9 TO GO, I'M TALKING ABOUT THE STATE INSTITUTIONS, IN THE
- 10 PROGRAMMING DESIGN AND PERMITTING PROCESS BEFORE WE
- 11 COME IN WITH A GRANT, ASSUMING THAT THAT GRANT REQUEST
- 12 IS SUCCESSFUL?
- 13 MS. GLADSON: FOR US, WE HAVE THE ABILITY TO
- 14 GO ALL THE WAY UP TO RECEIVING THAT GRANT, SO WE CAN
- 15 HAVE ALL THAT PRELIMINARY WORK DONE.
- 16 CHAIRMAN DOMS: YOU CAN HAVE THE PROGRAMMING,
- 17 AND USING THIS SCHEDULE, YOU CAN HAVE PROGRAMMING,
- 18 DESIGN, AND PERMITTING COMPLETE?
- MS. GLADSON: RIGHT. CORRECT. SO, FOR
- 20 EXAMPLE, THE DATA --
- MR. KLEIN: SHE HAD A 20-MONTH SCHEDULE FROM
- 22 START OF DESIGN.
- DR. HALL: IS THAT TYPICAL, OR IS THAT YOUR
- 24 BEST TIMELINE?
- MS. GLADSON: THAT'S OUR BEST. WE'VE DONE 22

- 1 MONTHS TO MOVE-IN, 20 MONTHS TO FINISH DESIGN. SO SIGN
- THE CONTRACT, THE DESIGN, COMPLETE THE CONSTRUCTION IN
- 3 20 MONTHS, BUT WE HAVE ALL OUR PERMITS IN PLACE.
- 4 MR. WILLIAMS: HOW MUCH PROCESS WAS THERE
- 5 BEFORE THE 20 MONTHS STARTED?
- 6 MR. BADE: I'M MICHAEL BADE. I'M DIRECTOR OF
- 7 CAPITAL PROGRAMS AT UCSF. I ALSO WORKED AT AUSTIN FOR
- 8 FOUR AND A HALF YEARS DOING OVERSIGHT OF DESIGN AND
- 9 CONSTRUCTION OF UC FACILITIES SYSTEMWIDE. I WAS THE
- 10 PERSON WHO BENCHMARKED THE CAMPUSES' PERFORMANCE
- 11 AGAINST EACH OTHER IN TERMS OF COST AND SCHEDULE FOR
- 12 FOUR YEARS.
- 13 I THINK THAT UC -- AT UC PERMISSION TO BUILD
- 14 IS THE REGENTS APPROVAL OF DESIGN AND BUDGET. WE NEED
- 15 BOTH OF THOSE. IN TERMS OF PRIVATELY, PARTIALLY OR
- 16 FULLY PRIVATELY FINANCED PROJECTS, AND THIRD-PARTY
- 17 CONSTRUCTION OF STUDENT HOUSING IS ACTUALLY A GOOD
- 18 EXAMPLE. THE REGENTS WILL APPROVE DESIGN AND BUDGET AS
- 19 PART OF THE BUSINESS TERMS BEFORE THE DEAL IS ACTUALLY
- 20 MADE. AND SO THERE IS A MODEL AT UC OF HAVING THE
- 21 REGENTS APPROVE A PROPOSAL, AND THEN THAT PROPOSAL GOES
- 22 IN FOR EXTERNAL FUNDING, IF THERE'S AN EXTERNAL FUNDING
- 23 SOURCE. WE DID THIS WITH THE CALIFORNIA INSTITUTES FOR
- 24 SCIENCE AND INNOVATION AS WELL.
- 25 TYPICALLY THERE'S A PRELIMINARY P FUNDING

- 1 PHASE FOR NON-STATE-FUNDED PROJECTS, ALSO FOR
- 2 STATE-FUNDED PROJECTS, WHICH GOES THROUGH DESIGN
- 3 DEVELOPMENT TYPICALLY. AND THEN WE GO FOR OUR FINAL
- 4 BUDGET APPROVAL, AND THEN WE GO INTO WORKING DRAWINGS
- 5 AND INTO CONSTRUCTION. THE REGENTS ACTUALLY APPROVE
- 6 BEFORE YOU GO INTO WORKING DRAWINGS, NOT AT THE VERY,
- 7 VERY END. SOMETIMES IF THE PROJECT DEMANDS IT, THAT
- 8 CAN BE ACCOMMODATED.
- 9 IT'S A LITTLE BIT DIFFERENT ON DESIGN-BUILD
- 10 BECAUSE REBEKHA IS MAKING HER CONSTRUCTION CONTRACT
- 11 MUCH EARLIER UNDER DESIGN-BUILD THAN WOULD BE DONE
- 12 UNDER AN ALTERNATIVE DELIVERY METHOD. AND SHE CAN GAIN
- 13 THE BENEFITS OF SPEEDY CONSTRUCTION AS A RESULT BECAUSE
- 14 YOU DON'T HAVE TO HAVE ALL THE DRAWINGS DONE AT THAT
- 15 POINT IN TIME.
- 16 PERMITTING PROCESS AT UC IS INTERNAL. WE
- 17 HAVE THE SAME LEGAL STANDING AS A CITY OR A COUNTY
- 18 UNDER STATE LAW TO PERMIT OUR OWN CONSTRUCTION. WE
- 19 TYPICALLY HAVE OUR OWN STATE FIRE MARSHAL, OUR OWN
- 20 BUILDING INSPECTORS, AND THINGS LIKE THAT. SO
- 21 PERMITTING IS NOT SUCH AN ISSUE.
- THE REGENTS RIGHT NOW ARE GIVING OUT ABOUT
- 23 2.5 TO 4 PERCENT OF TOTAL PROJECT COSTS FOR
- 24 PRELIMINARY, FOR P APPROVAL, FOR FUNDING P. AND THAT
- VARIES DEPENDING ON THE CIRCUMSTANCES, BUT THAT'S

- 1 TYPICALLY WHAT WE'RE SEEING.
- 2 MR. WILLIAMS: ON YOUR PROJECT THAT WAS 20 OR
- 3 22 MONTHS, HOW MUCH FROM THE TIME YOU HAD THE CONCEPT
- 4 OF THE BUILDING UNTIL YOU WERE ABLE TO AWARD THAT
- 5 DESIGN-BUILD CONTRACTOR?
- 6 MS. GLADSON: THERE WAS ABOUT TEN MONTHS.
- 7 BUT, REMEMBER, WE'RE TALKING ABOUT GENERIC RESEARCH
- 8 LABS THAT HAVE A ROBUST INFRASTRUCTURE, OPEN LABS, CORE
- 9 FACILITIES THAT YOU CAN THEN RENOVATE OR MODIFY IN
- 10 ORDER FOR A SPECIFIC RESEARCH. WHEN YOU LOOK AT
- 11 RESEARCH BUILDINGS, YOU'RE NOT PUTTING IN THESE HUGE
- 12 HOUSE SYSTEMS ANYMORE. YOU'RE PUTTING IN A LOCALIZED
- 13 SYSTEM THAT SUPPORTS THE SPECIFIC RESEARCH THAT'S GOING
- 14 IN. WE USED TO RUN GASES IN BUILDINGS AND NITROGEN ALL
- 15 THROUGH BUILDINGS. WE DON'T DO THAT ANYMORE. IT'S NOT
- 16 COST EFFECTIVE. YOU RUN IT WHERE IT'S LOCALLY NEEDED.
- 17 SO WE GET ALL OUR WORK DONE UP FRONT, AND
- 18 THEN WE'RE READY TO SIGN THE CONTRACT, AND THEN IT'S 20
- 19 MONTHS.
- 20 MR. SHEEHY: THIS IS A MORE GENERAL QUESTION.
- 21 BUT IF CIRM BUYS A BUILDING, IF WE GIVE A GRANT AND THE
- 22 BUILDING IS BUILT, THEN WE AWARD GRANTS TO RESEARCHERS
- WORKING IN THAT BUILDING, WILL OUR INDIRECTS CHANGE ON
- 24 THOSE GRANTS? IT SEEMS LIKE A LOT OF THE INDIRECTS ARE
- 25 GOING TO PAY FOR THE BUILDINGS THAT HAVE BEEN BUILT,

- 1 BUT WE PAID FOR THE BUILDING. SO WHY WOULD YOU GET
- 2 CHARGED AN INDIRECT AS PART OF THE GRANTS THAT WE AWARD
- 3 TO THAT BUILDING TO BE DONE IN THAT? WE'RE BUILDING
- 4 THE BUILDINGS FOR THE RESEARCH.
- DR. HALL: THAT'S A GOOD QUESTION, AND WE
- 6 HAVE NOT GONE THROUGH ALL OF THAT. WE WILL DO THAT AS
- 7 PART OF THE GRANTS ADMINISTRATION POLICY, JEFF, FOR
- 8 FACILITIES, WHICH WE DON'T HAVE. IT'S JUST THAT KIND
- 9 OF OUESTION.
- 10 MR. KLEIN: WE MAY HAVE PAID FOR A THIRD OF
- 11 THE BUILDING BECAUSE THEY MAY HAVE BORROWED A THIRD AND
- 12 HAVE PRIVATE DONORS ON A THIRD, SO WE HAVE TO ADJUST
- 13 IT. BUT IT HAS GOT A COMPLEX CASE-BY-CASE ANALYSIS.
- 14 MR. BADE: THERE'S A DIFFERENCE BETWEEN
- 15 PAYING THE INCREMENT OF FINANCING ON BORROWED MONEY AND
- 16 OPERATION AND MAINTENANCE OF THE PLANT. OPERATION AND
- 17 MAINTENANCE OF THE PLANT IS A COMPONENT --
- 18 (OVERLAPPING COMMENTS.)
- 19 DR. HALL: IT'S BECAUSE OF THOSE COMPLEXITIES
- 20 THAT WE REALLY HAVE NOT -- IT'S THE SORT OF THING WE'RE
- 21 GOING TO HAVE TO DEAL WITH NOW.
- MR. KLEIN: NOW, AT USC YOU'RE DOWNSTREAM ON
- 23 A BUILDING, THAT DEVELOPMENTAL BIOLOGY AND STEM CELL
- 24 RESEARCH BUILDING. IS THAT THE BUILDING YOU WERE
- 25 TALKING ABOUT GOING INTO CONSTRUCTION NEXT YEAR? AND

- 1 SO MANY OF THE VARIOUS RESEARCH INSTITUTIONS IN THE
- 2 STATE ARE DOWNSTREAM ON THIS PROCESS. FROM WHERE YOU
- 3 ARE ON THAT AS A CASE STUDY, EXAMPLE ONLY, YOU'VE DONE
- 4 PLANS AND BID THOSE PLANS OUT AND HAVE DONE REVISED
- 5 PLANS AND REBID. WHERE ARE YOU IN TERMS OF, PICK MAY
- 6 OF NEXT YEAR, HOW LONG WOULD IT TAKE YOU FROM POINT IN
- 7 TIME AT THAT JUNCTURE TO CONSTRUCT?
- 8 MR. WILLIAMS: THE CURRENT SCHEDULE IS 30
- 9 MONTHS TO BUILD AN ENTIRE BUILDING, PRIMARILY BECAUSE
- 10 IT'S SITTING OVER A HUGE VIVARIA, 40,000 SQUARE FOOT
- 11 ANIMAL FACILITY AND IMAGING FACILITY, SO GETTING UP OUT
- 12 OF THE GROUND IS THE MAIN COMPONENT THERE. SO
- 13 THAT'S -- BUT THE SCHEDULE FOR THE BUILDING IS 30
- 14 MONTHS.
- 15 CHAIRMAN DOMS: IS THAT THE ELI BROAD, THE
- 16 ONE THAT HE CONTRIBUTED?
- 17 DR. WRIGHT: THIS IS FOR REBEKHA ALSO. IF
- 18 YOU COULD GIVE US SOME ADVICE ABOUT IMPOSING SOME
- 19 REASONABLE MILESTONES ALONG THIS CONTINUUM FOR US TO
- 20 TOUCH BASE WITH BUILDINGS UNDER CONSTRUCTION OR THE
- 21 DESIGN PROCESS, WHERE WOULD YOU HAVE US BUILD IN THAT
- 22 ACCOUNTABILITY THAT WE SO WANT TO ENACT?
- MR. WILLIAMS: I THINK YOU CAN HAVE, WHETHER
- 24 IT'S MONTHLY, BIMONTHLY, QUARTERLY REVIEWS TYPES OF
- THINGS, AND WHERE YOU CAN GET FINANCIALS MONTHLY IF YOU

- 1 WANT. AND IF YOU WANT SITE VISITS ON A REGULAR BASIS
- 2 TO SEE THAT CONSTRUCTION IS PROGRESSING. I THINK
- 3 THERE'S A LOT OF FLEXIBILITY IN BEING ABLE TO DO THAT
- 4 TO THE LEVEL THAT MAKES YOUR COMFORT LEVEL WHAT IT
- 5 NEEDS TO BE.
- DR. WRIGHT: WOULD YOU SORT OF SEE THAT BEING
- 7 DIFFERENT PROJECT BY PROJECT --
- 8 DR. WILLIAMS: I THINK THE INSTITUTE NEEDS TO
- 9 SET UP WHAT ITS EXPECTATIONS ARE GOING TO BE. TO ME
- 10 THAT WOULD BE FAIRLY CONSISTENT. YOU KNOW, A
- 11 RENOVATION, IF YOU'RE GOING TO COME IN WITH A 4 OR
- 12 5,000 SQUARE FOOT RENOVATION OF SOME LABS, THAT'S VERY
- 13 DIFFERENT THAN A GROUND-UP TYPE OF CONSTRUCTION.
- 14 MS. GLADSON: I THINK ONE OF THE THINGS YOU
- 15 MIGHT WANT TO TAKE A LOOK AT IS YOU WANT TO UNDERSTAND
- 16 THE BID STRATEGY. SO WHAT'S THE BID DOCUMENTS THAT ARE
- 17 GOING OUT? AND THEN WHAT WAS ACTUALLY AWARDED? SO IF
- 18 YOU ARE GOING TO BID ALTERNATES OR UNIT COST OR
- 19 NEGOTIATED COMPONENTS OF IT, YOU WANT TO UNDERSTAND
- 20 THAT GOING IN. THAT'S WHAT YOU'RE STRATEGIZING DOING.
- 21 BUT THEN YOU WANT TO SEE WHAT THE ACTUAL AWARD IS THAT
- 22 TOOK PLACE, SO TO HAVE THAT SNAPSHOT OF THIS IS WHAT
- 23 HAPPENED, AND THEN YOU HAVE A BENCHMARK TO START
- 24 MONITORING THAT AGAINST. AND THEN YOU NEED TO LOOK AT
- 25 THAT REAL-TIME INFORMATION.

- 1 AND BY REAL-TIME INFORMATION, I MEAN WHAT'S
- THE FORECAST? YOU KNOW, THERE'S A LAG TIME BETWEEN
- 3 WHEN SOMETHING HAPPENS IN THE FIELD AND WHEN IT
- 4 ACTUALLY MAKES IT ONTO THE PAPER. SO WHAT'S A
- 5 REAL-TIME FORECASTING FOR THAT PROJECT? AND THAT'S
- 6 WHERE HAVING A DIALOGUE DEFINITELY HELPS.
- 7 MR. SIMPSON: I'M JOHN SIMPSON FROM THE
- 8 FOUNDATION FOR TAXPAYER AND CONSUMERS RIGHTS. I DIDN'T
- 9 SAY THAT BEFORE, PROBABLY SHOULD.
- 10 QUESTION I HAVE IS ARE THERE SOME SORTS OF
- 11 PROVISIONS THAT CIRM MIGHT TRY TO IMPLEMENT THAT WOULD
- 12 TURN OUT TO INADVERTENTLY BE SO BURDENSOME THAT PEOPLE
- 13 WOULD BE NOT INTERESTED IN SEEKING THE MONEY? AND IF
- 14 THERE WERE SUCH KINDS OF THINGS, WHAT MIGHT THEY BE SO
- 15 THEY COULD BE AVOIDED?
- MR. WILLIAMS: WELL, FROM OUR PERSPECTIVE, IF
- 17 THE INSTITUTE WOULD REQUIRE THAT YOU PUBLICLY OPEN BID
- 18 THIS WORK TO WHOEVER WANTED TO BID, I THINK THAT WOULD
- 19 BE A VERY NEGATIVE FROM OUR INSTITUTION'S STANDPOINT
- 20 TYPE OF THING, IF THAT WAS A REQUIREMENT THAT WAS PART
- 21 OF THE GRANT.
- TRYING TO THINK OF OTHER KINDS OF THINGS THAT
- 23 WOULD BE -- YOU KNOW, YOU CAN LAYER ON PAPERWORK
- 24 REQUIREMENTS, HUGE TYPE OF PAPERWORK REQUIREMENTS THAT
- 25 CAN BECOME VERY ONEROUS TOO FROM JUST AN ADMINISTRATION

- 1 STANDPOINT THAT WOULD BE NEGATIVE.
- 2 CHAIRMAN DOMS: EXCUSE ME JUST A SECOND.
- 3 WOULD YOU CARE TO COMMENT ON THAT?
- 4 MS. GLADSON: SURE. I THINK IF YOU WERE TO
- 5 ADD MORE REQUIREMENTS THAN WHAT THE STATE CONTRACT CODE
- 6 CURRENTLY REQUIRES, WHICH I WOULD IMAGINE, SINCE THIS
- 7 IS PUBLIC MONEY, IT'S GOING TO FALL UNDER, BUT YOU CAN
- 8 START LAYERING ON ADDITIONAL REQUIREMENTS ABOVE AND
- 9 BEYOND THAT THAT WOULD JUST DRIVE CONSTRUCTION COST UP,
- 10 IT WOULD REDUCE THE NUMBER OF BIDDERS, REDUCE THE
- 11 NUMBER OF SUBCONTRACTORS. SO WHAT YOU DON'T WANT TO DO
- 12 IS MAKE IT SO RESTRICTIVE FROM THAT STANDPOINT, VERY
- 13 MUCH WHAT HE'S SAYING IS THAT YOU WANT TO ALLOW VARIOUS
- 14 MODELS TO ACTUALLY WORK AND GET YOUR BEST VALUE IN
- 15 THERE.
- 16 LIKE LISTING OF SUBCONTRACTORS IS SOMETIMES A
- 17 VERY DIFFICULT ISSUE, DEPENDING ON YOUR DELIVERY MODEL.
- 18 MR. BADE: THERE'S TWO THINGS. ONE THING
- 19 THAT CURT MENTIONED IN PASSING THAT I WANTED TO BRING
- 20 OUT TO THE PANEL, WHICH IS THAT ALL SITES ON THE CAMPUS
- 21 ARE NOT THE SAME. AND AN INSTITUTION MAY DECIDE TO
- 22 BUILD ON A CERTAIN SITE ON A CAMPUS BECAUSE IT
- 23 MAXIMIZES THE PROGRAMMATIC RELATIONSHIPS THAT ARE
- 24 POSSIBLE FOR THE BENEFIT OF THE SCIENCE THAT IS MORE
- 25 EXPENSIVE OR LESS EXPENSIVE THAN OTHER SITES. AND SO,

- 1 YOU KNOW, YOU SHOULD BE TAKING THAT KIND OF THINKING
- 2 INTO ACCOUNT.
- 3 THE OTHER THING, I THINK THIS IS SOMETHING
- 4 THAT I'VE BEEN DISCUSSING INTERNALLY AT UC, USUALLY THE
- 5 DISBURSEMENT OF STATE BOND MONEY FOR CAPITAL USES COMES
- 6 WITH A VERY DETAILED AND ONEROUS PROCESS TO SPEND THE
- 7 BOND MONEY. AND IF UC SPENDS STATE BOND MONEY ON AN
- 8 ACADEMIC BUILDING, WE HAVE TO GO THROUGH A PROCESS
- 9 WHICH INCLUDES PERIODIC REVIEW BY THE DEPARTMENT OF
- 10 FINANCE, THE LEGISLATIVE ANALYST'S OFFICE, AND
- 11 CULMINATES BEFORE WE CAN DISBURSE MONEY FOR
- 12 CONSTRUCTION WITH APPROVAL BY THE STATE PUBLIC WORKS
- 13 BOARD.
- 14 I THINK THAT THE STAFF OF CIRM NEEDS TO GO
- 15 AND REALLY RESEARCH WHAT IS LEGALLY REQUIRED FOR THE
- 16 DISBURSEMENT OF STATE BOND MONEY, WHAT PROCESS IS ANY
- 17 INSTITUTION GOING TO HAVE TO GO THROUGH REQUIRED BY LAW
- 18 AND SEPARATE BY LAW FROM BY POLICY. MAYBE THERE'S A
- 19 LITTLE WIGGLE ROOM THERE. I THINK CURT'S REALLY ONTO
- 20 SOMETHING. ALL PRIVATE INSTITUTIONS DON'T HAVE TO GO
- 21 THROUGH THIS. THIS IS OUR UC, CSU, COMMUNITY COLLEGES,
- 22 STATE AGENCIES HAVE TO GO THROUGH THIS PROCESS.
- 23 STANFORD, USC DO NOT. YET, IF THEY'RE GOING TO GET
- 24 STATE BOND MONEY, ARE THEY GOING TO HAVE TO? HOW ARE
- 25 YOU GOING TO TEACH THEM WHAT THEY HAVE TO DO TO GO

- 1 THROUGH THE PROCESS? THAT'S A REALLY, REALLY IMPORTANT
- 2 POINT HERE BECAUSE OTHERWISE YOU CAN BE PUTTING OUT A
- 3 GRANT PROPOSAL, AND THE PLAYING FIELD WILL NOT BE FULLY
- 4 DESCRIBED.
- 5 MR. KLEIN: THAT ISSUE IS BEING RESEARCHED,
- 6 AND THIS IS, COUNSEL, HOPEFULLY NOT A STATE AUTHORIZED
- 7 BUILDING. AND YOU HAVE -- I THINK THAT'S YOUR ANALYSIS
- 8 AS WELL. BUT NEVERTHELESS, WE HAVE ALL THE PROTECTIONS
- 9 IN THERE WITHOUT SOME OF THE PROCESS TIMELINE
- 10 REQUIREMENTS THAT OTHERWISE WOULD BE NECESSARY. THAT'S
- 11 OUR CURRENT VIEW.
- MR. HARRISON: AS BOB SAID, WE'RE LOOKING AT
- 13 THAT ISSUE VERY CLOSELY.
- MR. WILLIAMS: ANOTHER THING CROSSED MY MIND,
- WHICH IS OFF THIS SUBJECT, BUT AS YOU CONSIDER
- 16 PROPOSALS, THE WHOLE FIELD, AND AS WE'RE BUILDING THESE
- 17 BUILDINGS, A LOT OF EMPHASIS IS ON INTERACTION SPACE
- 18 AND THE WAYS TO GET THE RESEARCHERS TOGETHER. THAT
- 19 PROBABLY IS NOT PROGRAM SPACE AS FAR AS GENERATING A PI
- 20 SITTING IN A LAB TYPE OF THING; BUT, AS ZACH KNOWS, AND
- 21 A LOT OF WORK WENT INTO THE BUILDINGS HE'S BEEN
- 22 INVOLVED IN FOR THIS KIND OF BOTH THE INTERDISCIPLINARY
- 23 TYPE OF THING, BUT ALSO THE INTERACTION OF HOW DO YOU
- 24 MAKE BUILDINGS REALLY ALIVE AND PROBABLY GET YOUR BEST
- 25 RESEARCH OUT OF, THAT SOME OF THE FACTOR NEEDS TO BE IN

- 1 THERE FOR THOSE KIND OF THINGS.
- DR. HALL: I JUST WANT TO SAY THANK YOU TO
- 3 ALL THREE OF OUR SPEAKERS. IT'S BEEN A TERRIFIC PANEL.
- 4 (APPLAUSE.)
- DR. HALL: WONDERFULLY INSTRUCTIVE FOR US, SO
- 6 I WILL TURN IT BACK OVER TO OUR CHAIR.
- 7 CHAIRMAN DOMS: ZACH, DO YOU WANT TO MOVE --
- 8 SHALL WE GO INTO AGENDA ITEM NO. 5 RIGHT NOW, DO THAT
- 9 BEFORE LUNCH?
- 10 DR. HALL: I'D BE HAPPY TO. YEAH. SO I JUST
- 11 WANT TO GIVE YOU A SORT OF UPDATE HERE. I WANT TO JUST
- 12 BRING YOU UP TO DATE ON SEVERAL ITEMS THAT ARE RELATED
- 13 TO WHAT WE'RE GOING TO BE DOING THIS AFTERNOON, BUT
- 14 ALSO TO PROVIDE A SORT OF GENERAL PICTURE. AND MAYBE I
- 15 SHOULD START WITH JUST A FEW GENERAL COMMENTS.
- 16 I KNOW WE HAVE SOME PEOPLE WHO ARE HERE FOR
- 17 THE FIRST TIME, AND I JUST WANT TO BRIEFLY SAY THAT THE
- 18 REASON THAT WE HAD THIS WORKING GROUP MEETING A YEAR
- 19 AGO AND DIDN'T MEET AGAIN IN THE INTERVENING YEAR WAS
- THAT WE HAVE HAD NO MONEY BECAUSE OF THE LITIGATION.
- 21 WE HAVE BEEN ON VERY LEAN RATIONS HERE, AND WE'VE HAD
- NOT MUCH STAFF, AND WE HAD NO IDEA WHEN WE WOULD BE
- 23 ABLE TO GIVE OUT MONEY FOR FACILITIES, SO THIS SEEMED
- 24 TO BE SOMETHING VERY MUCH IN THE FUTURE.
- THE LITIGATION, AS YOU KNOW, WE GOT A VERY

- 1 STRONG DECISION IN APRIL FROM THE SUPERIOR COURT. IT'S
- NOW IN THE COURT OF APPEALS. WE EXPECT THAT TO BE
- 3 DECIDED SOMETIME PERHAPS AFTER THE FIRST OF THE YEAR.
- 4 AND THEN THE QUESTION WILL BE WHETHER OR NOT IT WILL GO
- 5 TO THE SUPREME COURT OR NOT. BUT THE EXPECTATION IS,
- 6 NO. 1, THAT WE WILL WIN. THERE SEEMS TO BE NO REAL
- 7 QUESTION ABOUT THAT. BUT, NO. 2, IT WILL BE AT THE
- 8 VERY EARLIEST, I WOULD SAY, SOMETIME NEXT SPRING AND
- 9 PERHAPS MOST LIKELY SOMETIME NEXT FALL OR EVEN INTO THE
- 10 YEAR THAT WE WOULD BE ABLE TO ACCESS THE BOND MONEY.
- 11 AND LET ME SAY, AND I'LL COME BACK TO THIS,
- 12 THAT WE SEE THE PROVISION OF FACILITIES AS A VERY EARLY
- 13 AND URGENT NEED FOR STEM CELL RESEARCH HERE IN
- 14 CALIFORNIA. AND SO IT'S POSSIBLE THAT WE WILL ISSUE AN
- 15 RFA BEFORE THAT, GO THROUGH, AS WE DID WITH THE
- 16 TRAINING GRANTS; THAT IS, ISSUE THE RFA, RECEIVE
- 17 APPLICATIONS, AND ACTUALLY THEN APPROVE GRANTS EVEN
- 18 BEFORE THE BOND MONEY IS AVAILABLE SO THAT ONCE IT IS,
- 19 THIS WOULD GIVE CERTAINTY TO THE INSTITUTIONS WHO ARE
- 20 APPROVED AND WOULD ALLOW US THEN TO MOVE VERY, VERY
- 21 QUICKLY ONCE THE MONEY CAME ON BOARD.
- HOWEVER, WE HAVE AN INTERMEDIATE TASK, AND
- 23 THAT IS WE WERE SUDDENLY BROUGHT TO LIFE BY THE
- 24 GOVERNOR, WHO SHORTLY AFTER BUSH'S VETO OF THE STEM
- 25 CELL BILL ANNOUNCED THAT HE WAS GOING TO LOAN CIRM \$150

- 1 MILLION FROM THE GENERAL FUND. AND WHILE THAT MONEY
- 2 HAS NOT YET ARRIVED, WE ARE EXPECTING IT ANY MINUTE.
- 3 AND SO WE THEN PUT INTO PLACE A PROGRAM THAT WOULD
- 4 INVOLVE SOME ACTIVITY ON BEHALF OF FACILITIES. AND SO
- 5 THIS WORKING GROUP GOING FROM A SEMIDORMANT STATE,
- 6 WE'RE NOW GOING TO HAVE A LOT TO DO IN THE NEXT YEAR
- 7 AND A HALF. SO I JUST WANTED TO TELL YOU A LITTLE BIT
- 8 ABOUT THAT.
- 9 FIRST OF ALL, I WANT TO SAY THAT WE ARE
- 10 ADDING PERSONNEL. BECAUSE OF OUR SITUATION AND BECAUSE
- 11 OF THE FACT THAT WE WEREN'T DOING FACILITIES WORK, WE
- 12 HAVEN'T HIRED ANYBODY IN THIS AREA. WE RIGHT NOW HAVE
- 13 ALMOST NO EXPERTISE AS FAR AS FACILITIES ARE CONCERNED
- 14 WITHIN THE INSTITUTE. WE ARE DOING TWO THINGS. NO. 1
- 15 IS WE ARE HIRING A CHIEF FINANCE AND ADMINISTRATION
- 16 OFFICER, AND WE WOULD VERY MUCH LIKE TO HAVE IN THAT
- 17 POSITION SOMEBODY THAT DOES HAVE FACILITIES EXPERIENCE.
- 18 AND WE'RE ALSO HIRING A SENIOR OFFICER FOR THE
- 19 FACILITIES WORKING GROUP WHO WOULD BE THE LIAISON
- 20 PERSON. AND FOR THOSE OF YOU WHO ARE FAMILIAR WITH IT,
- 21 IT WOULD BE MUCH LIKE THE GEOFF LOMAX. AS GEOFF LOMAX
- 22 IS TO THE MEDICAL AND ETHICAL STANDARDS WORKING GROUP,
- 23 THIS PERSON WOULD BE TO THIS GROUP; THAT IS, WOULD BE
- 24 THE STAFF PERSON WHO IS RESPONSIBLE.
- 25 NOW, THE OTHER ITEM IS THAT WE STARTED LAST

- 1 APRIL ON A SCIENTIFIC STRATEGIC PLAN. AND THAT IS IN
- 2 PROCESS, IN FACT, ABOUT TO COME TO CULMINATION. WE
- 3 HAVE BEEN WORKING ON THAT THE LAST SIX MONTHS. A DRAFT
- 4 WILL BE PRESENTED TO THE ICOC ON OCTOBER 11TH; AND, IN
- 5 FACT, A DRAFT OF THAT PLAN WILL BE MADE PUBLIC ON
- 6 WEDNESDAY OF THIS WEEK. SO YOU MIGHT WANT TO CHECK OUR
- 7 WEBSITE.
- 8 AND THAT PLAN IDENTIFIES AN EARLY NEED FOR
- 9 CONSTRUCTION OF FACILITIES. AND THERE ARE REALLY TWO
- 10 REASONS FOR THIS. ONE IS THE FEDERAL RULES THAT WILL
- 11 NOT ALLOW FEDERAL FUNDS TO BE SPENT FOR CERTAIN KINDS
- 12 OF HUMAN EMBRYONIC STEM CELL WORK, WORK THAT WE SEE AS
- 13 VERY IMPORTANT AND VERY URGENT, AND SO WE DO NEED TO
- 14 HAVE WHAT WE SOMETIMES CALL NIH-FREE SPACE WITHIN WHICH
- 15 THIS RESTRICTED WORK CAN GO ON.
- 16 THE OTHER IS THAT THE SIZE OF THE PLAN AND
- 17 THE AMOUNT OF RESEARCH MONEY THAT'S GOING TO BE
- 18 DISBURSED WILL ATTRACT STEM CELL RESEARCHERS TO
- 19 CALIFORNIA FROM ALL OVER THE COUNTRY, AND THIS IS
- 20 HAPPENING DAILY. AND THE RESEARCH EFFORT, THESE ARE
- 21 NOT PEOPLE WHO WILL REPLACE OTHERS WHO ARE HERE, BUT
- 22 THESE ARE NEW PEOPLE WHO WILL BE COMING IN. IN
- 23 ADDITION, WE HAVE A TRAINING GRANT, AS YOU KNOW, THAT
- 24 ARE TRAINING YOUNG SCIENTISTS FOR STEM CELL RESEARCH.
- 25 SO THE RESEARCH FORCE IN CALIFORNIA IS GOING TO BE

- 1 AUGMENTED BY THIS ADDITIONAL GROUP OF VERY ACTIVE STEM
- 2 CELL RESEARCHERS, AND THEY REQUIRE TO BE PUT SOMEWHERE.
- 3 SO WE WILL NEED ADDITIONAL RESEARCH SPACE IN THE STATE
- 4 IN ORDER TO ACCOMMODATE THIS LARGE NEW PROJECT.
- 5 SO WE ENVISAGE AN RFA FOR CONSTRUCTION OF
- 6 LARGE-SCALE OR INTERMEDIATE-SCALE FACILITIES, AND WE
- 7 IMAGINE THAT IT WILL OCCUR IN TWO TIERS TO REFLECT THE
- 8 VARIOUS SIZES AND COMMITMENTS OF THE UNIVERSITIES TO
- 9 THIS PROJECT; THAT IS, A LARGE-SCALE COMMITMENT FOR
- 10 SOME NUMBER, WHICH WOULD BE A BUILDING OR A WING, OR AN
- 11 INTERMEDIATE SCALE, WHICH WOULD BE 5 TO 10,000 SQUARE
- 12 FEET.
- 13 NOW, THIS IS ALL UNDER THE SCIENTIFIC
- 14 STRATEGIC PLAN, AND THESE ARE THINGS THAT WOULD BE
- 15 FUNDED BY PUBLIC BOND MONEY. BUT AS I MENTIONED, WE IN
- 16 THE MEANTIME RECEIVED FROM THE GOVERNOR THE 150
- 17 MILLION. AND SO WE THEN RECEIVED APPROVAL FROM THE
- 18 ICOC AT THE AUGUST MEETING TO GO AHEAD WITH WHAT WE NOW
- 19 CALL THE JUMP-START INITIATIVE, AND THAT IS AN
- 20 INITIATIVE TO REALLY JUMP-START HUMAN EMBRYONIC STEM
- 21 CELL RESEARCH IN CALIFORNIA.
- 22 AND THE POINT OF THAT IS THAT, ALTHOUGH THERE
- 23 IS HUMAN EMBRYONIC STEM CELL RESEARCH GOING ON IN
- 24 CALIFORNIA, IT NEEDS MORE ROBUST FUNDING TO BE FULLY
- 25 COMPETITIVE. IT HAS BEEN -- IT'S BEEN DEPENDENT ON

- 1 PRIVATE SOURCES, AND THE EXTENT OF IT HAS BEEN
- 2 TRUNCATED OR STUNTED BY THE FEDERAL RESTRICTIONS.
- 3 SO WHAT WE WANTED TO DO WITH THIS INITIATIVE
- 4 WAS EXPAND ONGOING RESEARCH, TO RECRUIT NEW PEOPLE AND
- 5 NEW IDEAS INTO HUMAN EMBRYONIC STEM CELL RESEARCH. AND
- 6 NOW THOSE PEOPLE ARE GOING TO NEED SOMEPLACE TO DO THE
- 7 WORK IF IT'S OUTSIDE FEDERAL GUIDELINES, AND WE WANT
- 8 SHARED RESEARCH LABORATORY FACILITIES THAT CAN BE USED
- 9 FOR THE CULTURE AND EXPERIMENTATION ON HUMAN EMBRYONIC
- 10 STEM CELLS OUTSIDE FEDERAL GUIDELINES.
- 11 AND FINALLY, IT TURNS OUT THAT, ALTHOUGH IN
- 12 SOME WAYS THE CULTURE TECHNIQUES ARE STANDARD, HUMAN
- 13 EMBRYONIC STEM CELLS ARE VERY PARTICULAR IN THEIR
- 14 REQUIREMENTS TO CULTURE THEM AND TO PROPERLY ASSESS AND
- 15 EVALUATE WHAT'S GOING ON WITH THE GROWTH OF THESE
- 16 CELLS. IT REQUIRES SOME INSTRUCTION, AND WE WANTED TO
- 17 GET PROVISION THAT WOULD ALLOW TECHNICIANS, POST-DOCS,
- 18 GRADUATE STUDENTS, WITH A SHORT COURSE TO BE ABLE TO
- 19 LEARN HOW TO CULTURE THESE CELLS.
- 20 SO WE THEN RECEIVED APPROVAL TO PUT OUT THREE
- 21 RFA'S, AND THE FIRST TWO OF THESE ARE ALREADY OUT. THE
- 22 FIRST IS FOR COMPREHENSIVE RESEARCH GRANTS, WHICH ARE
- 23 MEANT TO FUND ESTABLISHED INVESTIGATORS WITH A TRACK
- 24 RECORD WHO ARE ALREADY WORKING ON HUMAN EMBRYONIC STEM
- 25 CELLS OR SOME CLOSELY RELATED FIELD. THEY MIGHT BE

- 1 WORKING ON ADULT STEM CELLS, THEY MIGHT BE WORKING ON
- 2 MOUSE EMBRYONIC STEM CELLS, BUT THEY NOW WANT TO WORK
- 3 ON HUMAN EMBRYONIC STEM CELLS, AND THEY ARE WELL
- 4 RECOGNIZED AND ESTABLISHED INVESTIGATORS.
- 5 IN ORDER TO ATTRACT NEW IDEAS AND NEW
- 6 INVESTIGATORS, WE ALSO HAVE PUT OUT AN RFA FOR SEED
- 7 GRANTS. AND THESE WILL BE TWO-YEAR GRANTS, RELATIVELY
- 8 LIMITED FUNDING, ABOUT \$200,000, AND THE IDEA IS TO LET
- 9 PEOPLE -- NO EXPERIENCE OR ACCOMPLISHMENT IN THE FIELD
- 10 IS REQUIRED FOR THESE. IT IS TO LET PEOPLE TAKE A
- 11 FLIER, TRY A NEW IDEA TO ACQUIRE PRELIMINARY DATA THAT
- 12 WOULD THEN LET THEM APPLY FOR A FULL-FLEDGED GRANT
- 13 LATER ON.
- 14 THE RESPONSE TO THESE TWO RFA'S HAS BEEN
- 15 FRIGHTENINGLY SUCCESSFUL. WE HAVE OVER 300 LETTERS OF
- 16 INTENT FOR THE SEED GRANTS, AND WE HAVE OVER 70 LETTERS
- 17 OF INTENT FOR THE COMPREHENSIVE RESEARCH GRANTS. SO
- 18 ALL OF THOSE LETTERS OF INTENT WON'T RESULT IN
- 19 APPLICATIONS, BUT I THINK IT'S CLEAR THAT THIS WILL BE
- 20 A CHALLENGE TO OUR REVIEW CAPACITY TO PROCESS THESE
- 21 GRANTS.
- NOW, IN ORDER FOR PEOPLE TO DO THEIR WORK,
- 23 AND IN PARTICULAR FOR THE SEED GRANTS, FOR PEOPLE WHO
- 24 HAVEN'T WORKED IN THIS AREA, WE DO NEED SHARED RESEARCH
- 25 LABORATORY GRANTS. AND SO WE WANTED TO PUT OUT AN RFA

- 1 FOR INSTITUTES TO RENOVATE SPACE THAT COULD BE USED BY
- 2 DIFFERENT INVESTIGATORS, SHARED WITHIN THE INSTITUTION.
- 3 AND BECAUSE WE WANT TO HAVE IT AROUND THE STATE, WE
- 4 WOULD LIKE TO, FOR THOSE WHO -- WE WOULD LIKE THE
- 5 INSTITUTION TO RECEIVE SUCH A GRANT TO MAKE IT
- 6 AVAILABLE FOR OTHERS.
- 7 LET ME JUST QUICKLY DESCRIBE THESE THREE
- 8 RFA'S. THIS IS THE COMPREHENSIVE, DISTINGUISHED RECORD
- 9 OF ACCOMPLISHMENT, FOURS YEARS, \$400,000 PER YEAR
- 10 PROJECT SUPPORT, AND THEY MUST HAVE SUITABLE SPACE FOR
- 11 HUMAN EMBRYONIC STEM CELL RESEARCH. THEY'RE EITHER
- 12 ALREADY DOING IT OR WILL BE DOING IT SOON.
- THE SEED GRANTS, HOWEVER, EMPHASIS ON NEW
- 14 IDEAS, NEW INVESTIGATORS IN THE FIELD, NO PRIOR RECORD
- 15 REQUIRED. THESE ARE SMALLER GRANTS, AND THESE ARE THE
- 16 PEOPLE FOR WHOM WE WANT TO PROVIDE SPACE AS QUICKLY AS
- 17 POSSIBLE.
- 18 SO WE THEN WOULD LIKE TO ISSUE AN RFA THAT
- 19 WOULD HAVE SHARED RESEARCH LABORATORY GRANTS. WE WOULD
- 20 GIVE UP TO 15 OF THEM ACROSS THE STATE. THESE WOULD BE
- 21 FOR PROVIDING DEDICATED LABORATORIES FOR THE CULTURE OF
- 22 HUMAN EMBRYONIC STEM CELLS, INCLUDING CELLS OUTSIDE THE
- 23 FEDERAL GUIDELINES. THE GRANTS WILL SUPPORT CORE
- 24 EQUIPMENT AND TRAINED PERSONNEL FOR A PERIOD OF TIME,
- 25 AND THE SERVICES NEED TO BE AVAILABLE FOR SCIENTISTS

- 1 FROM NEARBY INSTITUTIONS WITHOUT FACILITIES AS WELL AS
- 2 SCIENTISTS WITHIN THE INSTITUTIONS.
- 3 AND THEN AT FIVE OF THESE INSTITUTIONS, WE
- 4 WILL GIVE EXTRA FUNDS IN CONNECTION WITH THESE
- 5 LABORATORIES TO EXPAND THE LABORATORY SLIGHTLY, AND
- 6 THEN TO AUGMENT THE ONGOING FUNDS THAT WE GIVE THEM SO
- 7 THAT THEY CAN OFFER COURSES SEVERAL TIMES A YEAR FOR
- 8 INSTRUCTION IN HOW TO CULTURE THESE CELLS.
- 9 SO I DESCRIBE ALL THESE BECAUSE THEY FORM
- 10 PART OF A PACKAGE. THAT IS, WE WANT TO PROVIDE SUPPORT
- 11 TO PEOPLE IN THE FIELD. WE WANT TO BRING IN NEW
- 12 PEOPLE. WE NEED TO PROVIDE SPACE FOR THEM. WE NEED TO
- 13 PROVIDE INSTRUCTION, AND SO ALL OF THIS GOES TOGETHER
- 14 AND WAS INTENDED TO GET THE ENTIRE ENTERPRISE UP TO
- 15 SPEED.
- 16 SO THE PRELIMINARY BUDGET ESTIMATE IS THAT
- 17 FOR THOSE GRANTS WITHOUT A COURSE, WE WOULD GIVE A
- 18 MILLION DOLLARS FOR RENOVATION AND A MILLION DOLLARS
- 19 FOR CAPITAL COSTS, AND THEN WE WOULD GIVE ONGOING COST
- 20 OF PERSONNEL AND SUPPLIES FOR THREE YEARS UP TO
- 21 \$200,000 A YEAR.
- THEN FOR FIVE OF THOSE, WE WOULD ADD ANOTHER
- 23 HALF MILLION FOR EXTRA EQUIPMENT AND POSSIBLY SPACE AND
- 24 WOULD ALSO AUGMENT THE FUNDS FOR ONGOING PERSONNEL AND
- 25 SUPPLIES SO THAT THEY WOULD BE ABLE TO OFFER THE

- 1 COURSES.
- NOW, WE ISSUE THE RFA, WE HOPE, IN OCTOBER.
- 3 AND IF WE DO THAT, WE CAN HAVE A JANUARY 8TH THROUGH
- 4 10TH REVIEW BY THE GRANTS WORKING GROUP. WE'RE HOPING
- 5 THAT THIS WORKING GROUP WILL BE ABLE TO REVIEW THE
- 6 FACILITIES IN LATE JANUARY. BECAUSE OF THE CLOSE TIME
- 7 SCALE HERE, WE WILL HAVE PARALLEL FACILITIES AND GRANTS
- 8 REVIEW. THAT IS, WE WILL NOT BE ABLE TO GET THE
- 9 RESULTS OF THE GRANT REVIEW PROCESSED IN TIME SO THAT
- 10 FACILITIES WORKING GROUP WOULD KNOW WHAT THE GRANTS
- 11 WORKING GROUP WOULD DO, SO THESE WILL JUST HAVE TO GO
- 12 IN PARALLEL. AND THE IDEA IS THAT BOTH SCORES AND BOTH
- 13 RECOMMENDATIONS WOULD THEN GO TO THE ICOC, WHO WOULD
- 14 THEN PUT TOGETHER THE SCIENTIFIC AND THE FACILITIES
- 15 RECOMMENDATIONS AND SCORES, AND THEN APPROVE THESE
- 16 GRANTS AT THE MARCH OR THE APRIL MEETING.
- 17 SO IN ORDER TO ISSUE OUR RFA, WHAT WE NEED IS
- 18 TO ESTABLISH THE INTERIM PROCEDURES AND CRITERIA FOR
- 19 THESE APPLICATIONS. ORDINARILY IN AN RFA YOU SAY WHAT
- THE CRITERIA WILL BE BY WHICH IT WILL BE JUDGED. AND
- 21 SO OUR FIRST ITEM OF BUSINESS, THEN, AFTER LUNCH WILL
- 22 BE A CONSIDERATION OF THOSE PROCEDURES AND CRITERIA
- 23 FOLLOWING THE DRAFT IN THE BOOK THERE. AND IF YOU, THE
- WORKING GROUP, THEN, WE HOPE WILL RECOMMEND, AMEND
- THESE, MODIFY THEM AS YOU WILL, THEN RECOMMEND THEM TO

- 1 THE ICOC. IF THE ICOC ADOPTS THEM AT THE OCTOBER 11TH
- 2 MEETING, THEN WE THINK WE CAN GET AN RFA OUT IN
- 3 NOVEMBER.
- 4 SO OUR MOST IMMEDIATE TASK, THEN -- AND LET
- 5 ME MAKE ONE COMMENT. BEFORE WE CAN DO THE LARGE
- 6 GRANTS, WE HAVE A LOT OF WORK TO DO. WE HAVE TO HAVE A
- 7 GRANTS ADMINISTRATION POLICY FOR FACILITIES TO WORK OUT
- 8 ALL THESE ISSUES OF INDIRECT FACILITIES COST THAT JEFF
- 9 RAISED, TO WORK OUT EXACTLY WHAT WE'RE GOING TO REQUIRE
- 10 FROM THE INSTITUTIONS, HOW WE'RE GOING TO MONITOR THEM,
- 11 AND THERE'S A LOT OF GROUNDWORK THAT NEEDS TO BE DONE.
- 12 BUT IN THE MEANTIME, RATHER THAN GO THROUGH ALL OF
- 13 THAT, WHAT WE'RE TRYING TO DO IS TO PUT TOGETHER, AS WE
- 14 DID FOR THE TRAINING GRANTS, AN INTERIM PROCEDURE THAT
- 15 IS SPECIFIC FOR THIS RFA. AND THIS WILL ALLOW US TO
- 16 GET IT OUT, WE HOPE, QUICKLY, TO GET IT REVIEWED
- 17 QUICKLY, AND THEN TO GET THE MONEY OUT BY SPRINGTIME
- 18 THAT WILL ALLOW THESE FACILITIES TO GO AHEAD AND BE
- 19 RENOVATED AND PUT IN OPERATION.
- THAT'S SORT OF THE BACKGROUND, THEN, FOR THE
- 21 NEXT TOPIC AND THE WORK THIS AFTERNOON.
- MR. KLEIN: ZACH, FOR SOME OF THOSE WHO ARE
- 23 IN THIS MEETING AND HAVE NOT BEEN IN OTHER MEETINGS, IN
- 24 THE FIRST TWO GRANTS, THE MATH SHOWS A HUNDRED PERCENT
- 25 MARKUP FOR INDIRECTS. BUT THAT'S JUST FOR ILLUSTRATION

- 1 PURPOSES, THEY'LL ACTUALLY BE CONTROLLED. MAYBE YOU
- 2 COULD EXPLAIN HOW THE GRANT ADMINISTRATION POLICY WILL
- 3 ACTUALLY CONTROL THOSE INDIRECTS.
- 4 DR. HALL: YES. WE HAVE A FORMULA TO
- 5 CALCULATE THEM. THAT IS ACTUALLY AN OVERESTIMATE. WE
- 6 HAVE A FORMULA TO CALCULATE THAT. WE TAKE THE PROJECT
- 7 COST AND THEN A FACILITIES COST, AND THEN THE INDIRECT
- 8 COST IS 25 PERCENT OF THAT. WE ARE BASING THE
- 9 FACILITIES. WHICH IS THE BIGGEST VARIABLE BETWEEN
- 10 INSTITUTIONS, ON THE FEDERAL RATE. AND BY DOUBLING THE
- 11 SIZE OF THE PROJECT COST, IT ACTUALLY WORKS OUT TO
- 12 ABOUT A 65-PERCENT FACILITIES RATE, WHICH IS HIGH.
- 13 MOST INSTITUTIONS ARE LESS THAN THAT. AND THANKS FOR
- 14 POINTING THAT OUT.
- 15 SO THIS IS OUR ROUGH RULE OF THUMB THAT LET'S
- 16 US OUICKLY CALCULATE AN APPROXIMATE TOTAL GRANT COST
- 17 FROM THE PROJECT COST. IT'S ALMOST CERTAINLY AN
- 18 OVERESTIMATE, SO IT WILL BE A LITTLE BIT LESS.
- 19 SO I TURN IT BACK OVER TO YOU.
- 20 CHAIRMAN DOMS: WHY DON'T WE TAKE A LITTLE
- 21 LUNCH BREAK. IT'S ABOUT 12:30 NOW. CAN WE GET STARTED
- 22 AT 1:15 PROMPTLY?
- 23 (A RECESS WAS TAKEN.)
- 24 CHAIRMAN DOMS: OKAY. WE ARE BACK IN
- 25 SESSION. AND FOR AGENDA ITEM NO. 6, I'D LIKE TO REFER

- 1 THE WORKING GROUP MEMBERS AND MEMBERS OF THE PUBLIC TO
- 2 THE DOCUMENT ENTITLED "DRAFT INTERIM PROCEDURES AND
- 3 CRITERIA FOR CONDUCTING REVIEW OF SHARED-SPACE LAB
- 4 APPLICATIONS."
- 5 OUR GOAL TODAY IS TO REVISE THESE INTERIM
- 6 PROCEDURES FOR RECOMMENDATIONS TO THE ICOC, WHO CAN
- 7 APPROVE THEM AS INTERIM, I WANT TO STRESS THE WORD
- 8 "INTERIM," PROCEDURES AND CRITERIA. ONCE THAT IS DONE,
- 9 THE CRITERIA WILL BE INCLUDED IN A SHARED RESEARCH
- 10 LABORATORY RFA, WHICH WILL GO OUT SHORTLY AFTER THE
- 11 ICOC MEETING.
- 12 AFTER THIS GRANT CYCLE, WE WILL REVIEW AND
- 13 MODIFY THESE PROCEDURES WITH THE AIM OF ADOPTING A
- 14 PERMANENT SET OF CRITERIA WHICH WILL BE USED IN LATER
- 15 RFA'S, INCLUDING THOSE THAT WILL BE SUITABLE FOR LARGE
- 16 FACILITIES.
- 17 SO THAT WHAT WE'RE DOING TODAY IS THE INTERIM
- 18 PROCEDURES. THE PROCEDURES WE ARE CONSIDERING TODAY
- 19 ARE JUST FOR THE SMALL RENOVATION GRANTS FOR SHARED
- 20 LABORATORIES.
- THE PROCESS OF ADOPTING INTERIM PROCEDURES IS
- 22 SIMILAR TO THAT USED BY THE GRANTS WORKING GROUP FOR
- 23 THE TRAINING GRANTS. IT IS IMPORTANT AND SANCTIONED BY
- 24 PROP 71 TO ENACT STRONG GUIDELINES IMMEDIATELY AND THEN
- 25 TO REVISE THEM AS NECESSARY MOVING FORWARD.

- 1 AT THIS POINT I'D LIKE TO ASK JAMES TO MAKE
- 2 SOME COMMENTS REGARDING THE RELEVANT STATUTORY
- 3 PROVISIONS OF 71 WHICH MAKES THIS INTERIM POLICYMAKING
- 4 POSSIBLE.
- 5 MR. HARRISON: SURE. FOR THOSE OF YOU WHO'VE
- 6 ATTENDED ICOC MEETINGS OR WORKING GROUP MEETINGS IN THE
- 7 PAST, YOU'RE NO DOUBT FAMILIAR WITH THIS CONCEPT.
- 8 PROPOSITION 71 EXPRESSLY PERMITS THE ICOC TO ADOPT
- 9 INTERIM STANDARDS TO GOVERN THE AGENCY'S OPERATIONS
- 10 WITHOUT GOING THROUGH THE ADMINISTRATIVE PROCEDURE ACT.
- 11 THESE INTERIM STANDARDS ARE IN PLACE FOR A PERIOD OF
- 12 270 DAYS, DURING WHICH TIME THE AGENCY CAN BEGIN THE
- 13 PROCESS OF PUBLIC HEARINGS AND PUBLIC COMMENTS TO ADOPT
- 14 PERMANENT REGULATIONS PURSUANT TO THE APA.
- 15 CHAIRMAN DOMS: SO IF THESE ARE ADOPTED IN
- 16 OCTOBER, THEN WE HAVE NINE MONTHS TO FINALIZE OUR --
- 17 MR. HARRISON: THAT'S CORRECT.
- 18 CHAIRMAN DOMS: -- PROCEDURES AND CRITERIA.
- MR. HARRISON: AND THOSE PROCEDURES WOULD
- 20 REMAIN IN PLACE UNTIL PERMANENT REGULATIONS ARE
- 21 ADOPTED.
- 22 CHAIRMAN DOMS: THAT HAS TO BE DONE WITHIN
- 23 NINE MONTHS?
- MR. HARRISON: CORRECT.
- 25 CHAIRMAN DOMS: OKAY. AS YOU HEARD FROM

- 1 ZACH, THE APPLICATIONS FOR THE SHARED LABORATORY GRANTS
- 2 WILL BE REVIEWED BY BOTH THE GRANTS WORKING GROUP AND
- 3 BY THIS WORKING GROUP. AS HE MENTIONED, WE WANT TO GET
- 4 THESE OUT AS SOON AS POSSIBLE. THE TWO REVIEW SESSIONS
- 5 WILL BE HELD IN JANUARY. THE GRANTS WILL PROBABLY MEET
- 6 FIRST IN EARLY JANUARY, AND OUR REVIEW WILL BE IN LATER
- 7 JANUARY, DEPENDING ON THE SCHEDULES. AND THAT'S
- 8 SOMETHING WE'LL TALK ABOUT A LITTLE BIT LATER IN THE
- 9 MEETING.
- 10 THE SCORES AND RECOMMENDATIONS OF BOTH
- 11 WORKING GROUPS WILL THEN BE CONSIDERED BY THE ICOC WHO
- 12 WILL MAKE THE FINAL DECISION.
- 13 YOU HAVE AS PART OF YOUR MATERIAL THE DRAFT
- 14 FOR DISCUSSION PURPOSES ONLY, THIS DOCUMENT. AND WHAT
- 15 I WOULD LIKE TO DO IS GO THROUGH THIS. I'D LIKE TO
- 16 ENCOURAGE ANY QUESTIONS. THIS IS A WORK IN PROGRESS.
- 17 ANYTHING WE CAN DO TO ADD TO THIS, I THINK PARTICULARLY
- 18 WHEN WE GET CRITERIA FOR REVIEW, WE WANT TO EXPAND ON
- 19 THAT.
- MR. HARRISON: JUST FOR THE RECORD, WE SHOULD
- 21 POINT OUT THAT SINCE ROLL WAS TAKEN, TWO MEMBERS HAVE
- JOINED THE WORKING GROUP, AND WE NOW HAVE A QUORUM.
- 23 CHAIRMAN DOMS: THANK YOU.
- DR. HALL: IT MIGHT BE USEFUL JUST TO SAY A
- 25 LITTLE BIT ABOUT THE WAY WE IMAGINE THE RFA WILL BE

- 1 STRUCTURED FOR THIS REVIEW, IF THAT'S HELPFUL, BEFORE
- 2 PEOPLE CONSIDER THAT.
- 3 CHAIRMAN DOMS: WHAT I'D LIKE TO DO IS JUST
- 4 GO THROUGH IT FOR EVERYBODY UNTIL WE GET TO THE
- 5 CRITERIA FOR REVIEW. WHAT YOUR DOCUMENT SAYS, AND I'LL
- 6 REVIEW IT VERY QUICKLY. IF YOU HAVE ANY QUESTIONS, LET
- 7 ME KNOW. I'LL GO THROUGH IT QUICKLY.
- 8 AS I SAID, THE SHARED LAB SPACE GRANT,
- 9 REVIEWED BY BOTH GRANTS COMMITTEE AND THE FACILITIES
- 10 WORKING GROUP. IN TERMS OF FACILITIES, IT WILL BE
- 11 CONDUCTED BY 11 MEMBERS. AND THE CIRM STAFF, IN
- 12 CONSULTATION WITH THE CHAIR AND THE VICE CHAIR, WILL
- 13 ASSIGN THESE APPLICATIONS TO A PRIMARY AND SECONDARY
- 14 REVIEWER ACCORDING TO EXPERTISE, MAKING SURE THERE'S NO
- 15 CONFLICT OF INTEREST.
- 16 THE PRIMARY REVIEWER WILL BE ASKED TO WRITE A
- 17 BRIEF DESCRIPTION OF THE PROJECT GUIDED LARGELY BY THE
- 18 ABSTRACT -- THAT'S ONE OF THE ISSUES WE NEED TO TALK
- 19 ABOUT -- PROVIDED BY THE APPLICANT. BOTH REVIEWERS
- 20 WILL WRITE A ONE- TO TWO-PAGE REVIEW TO ADDRESS THE
- 21 STRENGTHS AND WEAKNESSES IN LIGHT OF THE CRITERIA, AND
- THEN THE REVIEWERS' COMMENTS WILL BE SUBMITTED TO THE
- 23 STAFF AT LEAST THREE DAYS BEFORE THE MEETING FOR
- 24 CIRCULATION TO OTHER MEMBERS OF THE COMMITTEE.
- 25 AT THE REVIEW MEETING, THE CHAIR WILL PRESIDE

- 1 OVER THE TECHNICAL EVALUATION OF EACH APPLICATION. THE
- 2 REVIEWERS WILL SUMMARIZE THE EVALUATION OF EACH GRANT.
- 3 MEMBERS WILL THEN IN SECRET BALLOT GRANT A SCORE FROM
- 4 ZERO TO A HUNDRED. THE AVERAGE NUMERICAL SCORE WILL
- 5 REPRESENT THE SCORE FOR EACH APPLICATION. THE CIRM
- 6 STAFF WILL TALLY THE SCORE AND PRESENT THE SCORE ALONG
- 7 WITH THE GRANT WORKING GROUP'S SCORES.
- 8 SECOND STAGE WILL BE PRESIDED BY THE VICE
- 9 CHAIRMAN, AND THEY WILL DISCUSS THE AVAILABLE
- 10 INFORMATION AND WILL PLACE THE APPLICATION INTO ONE OF
- 11 THREE GROUPS FOR RECOMMENDATION TO THE ICOC. THAT WILL
- 12 BE RECOMMENDED FOR FUNDING, RECOMMENDED FOR FUNDING
- 13 DEPENDING AVAILABLE FUNDS, AND NOT RECOMMENDED FOR
- 14 FUNDING AT THIS TIME.
- 15 SO THOSE ARE THE PROCEDURES FOR THE REVIEW.
- 16 LET'S TAKE IT ONE STEP AT A TIME. ANY QUESTIONS,
- 17 COMMENTS FROM EITHER THE WORKING GROUP OR THE PUBLIC?
- 18 MR. KASHIAN: WHAT DO YOU MEAN BY SHARED LAB
- 19 SPACE? SHARED WITH WHOM?
- 20 DR. HALL: DIFFERENT INVESTIGATORS. SO THAT
- 21 AN INSTITUTION WOULD HAVE A LAB, LET'S SAY THE SIZE OF
- THIS ROOM, AND DIFFERENT INVESTIGATORS COULD COME IN
- 23 AND USE THAT SAME SPACE.
- MR. KASHIAN: BUT ALL WORKING ON STEM CELL
- 25 RESEARCH?

- DR. HALL: YES. HUMAN EMBRYONIC STEM CELL
- 2 RESEARCH, YES.
- 3 MR. SHEEHY: YOU KNOW, THIS PROCESS SEEMS
- 4 REALLY STATIC AND ANONYMOUS. AND I THINK -- YOU KNOW,
- 5 I JUST -- I JUST -- REALLY LOOKING VERY MUCH DIRECTLY
- 6 AT THESE PROCEDURES, AND I THINK WE BRING A LOT OF
- 7 DIFFERENT AREAS OF EXPERTISE TO BEAR, AND WE'RE KIND OF
- 8 BEING PUT IN LITTLE SILOS, WE'RE WRITING DOWN LITTLE
- 9 NUMBERS, AND WE PULL THEM ALL TOGETHER. AND I JUST
- 10 WOULD FEEL MORE COMFORTABLE IF THE PROCESS FOR
- 11 REVIEWING THESE THINGS WAS MORE DYNAMIC. WE HAVE THIS
- 12 BIFURCATED PROCESS. IN OTHER WORDS, WE'RE MODELING THE
- 13 GRANTS WORKING GROUP, AND I DON'T KNOW IF IN THIS
- 14 ENVIRONMENT IT'S NOT BETTER TO HAVE SOMETHING THAT'S
- 15 MORE DYNAMIC THAT ALLOWS US, BECAUSE I DON'T THINK A
- 16 GROUP LIKE THIS HAS EVER BEEN CONVENED. REALLY IN THE
- 17 GRANTS WORKING GROUP, WHAT WE'VE GOT IS BASICALLY A
- 18 PEER REVIEW PROCESS WITH SOME ADVOCATES THROWN IN AT
- 19 THE END.
- 20 WHAT WE HAVE HERE IS NOVEL. I DON'T KNOW IF
- 21 GRANTS LIKE THIS HAVE EVER BEEN REVIEWED IN THIS WAY BY
- THIS GROUP OF PEOPLE, AND THIS LOOKS MORE LIKE AN NIH
- 23 GRANT REVIEW PROCESS THAN ONE -- I MEAN I WOULD LIKE TO
- 24 HEAR PEOPLE'S THOUGHTS WHEN THEY'RE LOOKING. THE
- 25 PEOPLE, RUSTY, ED, YOU KNOW, DEBORAH, YOU GUYS BRING AN

- 1 ENORMOUS AMOUNT OF EXPERTISE, AND WE'RE GOING TO NEED
- 2 TO BUILD A KNOWLEDGE BASE INTERNALLY IN KIND OF THIS
- 3 DYNAMIC PROCESS AS WE TRY TO UNDERSTAND THIS. I THINK
- 4 THE ECONOMICS OF IT ARE GOING TO BE VERY COMPLEX. I
- JUST SEE WE'RE ALL IN THESE LITTLE POCKETS AND WE THROW
- 6 EVERYTHING TOGETHER, AND THEN WE COME UP WITH THIS
- 7 NUMBER. AND WHAT ARE THESE NUMBERS REALLY GOING TO
- 8 MEAN?
- 9 AND THEN I THINK WE'RE GOING TO HAVE THE
- 10 SECOND STAGE WHERE WE ALL TALK ABOUT IT, AND WE'RE
- 11 GOING TO GO BACK AND SAY WE GAVE THE WRONG NUMBERS. I
- 12 DON'T KNOW WHY WE NEED TO BE QUITE SO SEPARATED, YOU
- 13 KNOW.
- 14 CHAIRMAN DOMS: LET'S TALK ABOUT WHEN A GRANT
- 15 REQUEST COMES IN. SOMEBODY HAS TO -- WE COULD HAVE
- 16 ANYWHERE FROM 30 TO 50 GRANTS. AND IT'S FOR
- 17 RENOVATION, IT'S FOR EQUIPMENT AND SUPPLIES AND
- 18 PERSONNEL EXPENSE. THE RENOVATION IS AN AREA OF
- 19 EXPERTISE THAT FALLS INTO THE PEOPLE THAT ARE THE REAL
- 20 ESTATE PEOPLE ON THIS COMMITTEE. AND SO I THINK THAT
- 21 THE REAL ESTATE PEOPLE ON THIS COMMITTEE ARE GOING TO
- 22 BE DOING A LOT OF WORK BECAUSE SOMEBODY HAS TO --
- 23 SOMEBODY HAS TO, I THINK, REVIEW THE GRANT, SUMMARIZE
- 24 IT, AND TELL THIS WORKING GROUP AND THE PUBLIC WHAT ARE
- 25 THE PROS AND CONS OF THIS.

- 1 A SECONDARY REVIEWER, AND IT MIGHT BE THE
- 2 PATIENT ADVOCATE SIDE, COULD TAKE A LOOK AT IT AND LOOK
- 3 AT IT FROM A DIFFERENT PERSPECTIVE AND SAY THIS IS HOW
- 4 I SEE THIS GRANT REQUEST. BUT THEN ONCE THAT'S DONE, I
- 5 THINK THE GRANT REQUESTS SHOULD BE DISCUSSED. AND
- 6 THAT'S THE TIME WHERE YOU SAY IT'S A STATIC, MORE
- 7 DYNAMIC, PEOPLE CAN SHARE THEIR IDEAS ON HOW THEY FEEL
- 8 ABOUT THIS SPECIFIC OR THAT SPECIFIC GRANT REQUEST.
- 9 BUT AT THE END OF THE DAY, YOU'VE GOT TO COME DOWN WITH
- 10 SOME WAY TO RANK THEM. AND MAYBE IT'S THE SCORE THAT'S
- 11 A CONCERN FOR YOU, BUT YOU HAVE TO PRIORITIZE. THERE
- 12 HAS TO BE A SYSTEM FOR PRIORITIZING THESE GRANTS.
- 13 SO I THINK YOU START WITH, AS THIS OUTLINE
- 14 HERE, MAYBE WHAT'S MISSING, JEFF, IS SORT OF A
- 15 FREE-FLOWING EXCHANGE OF IDEAS ABOUT THAT GRANT, BUT AT
- 16 SOME POINT YOU HAVE TO EVALUATE THEM AND RANK THEM.
- 17 AND I DON'T KNOW IF THAT ANSWERS YOUR QUESTION, BUT I
- 18 DON'T -- YOU KNOW, YOU HAVE TO HAVE AN OPEN, CANDID
- 19 DISCUSSION ABOUT THE GRANTS, AND THEN YOU GOT TO SAY,
- 20 WELL, THIS ONE IS BETTER THAN THAT ONE.
- MR. SHEEHY: I'M SEEING THAT THERE'S TWO
- 22 PROCESSES TO DO THAT, AND IT'S NOT CLEAR TO ME WHY. WE
- 23 HAVE THE FIRST ONE WHERE WE GIVE A NUMBER, AND THEN WE
- 24 GO BACK AND RECOMMEND THE ONES FOR FUNDING. IT'S
- 25 ALMOST LIKE -- MAYBE IT'S THE ASSIGNMENT OF A

- 1 NUMERICAL. SO WE WOULD GO THROUGH -- I'M JUST --
- DR. HALL: JEFF, CAN I JUST TELL YOU WHAT THE
- 3 INTENT WAS?
- 4 MR. SHEEHY: MY ISSUE ISN'T THE INTENT, BUT
- 5 GO AHEAD.
- DR. HALL: IF YOU HAVE A DIFFERENT -- ANY OF
- 7 US ARE OPEN TO A DIFFERENT WAY OF PROCEEDING.
- 8 CHAIRMAN DOMS: WE'RE ALL WORKING TOGETHER
- 9 HERE.
- 10 MR. SHEEHY: I KNOW. I'M NOT BEING
- 11 ADVERSARIAL.
- 12 CHAIRMAN DOMS: WE WELCOME ALL AND ANY IDEAS
- 13 FROM THIS GROUP OR PEOPLE OUT IN THE AUDIENCE.
- DR. HALL: IN TERMS OF -- IF YOU LOOK AT THE
- 15 CRITERIA, IN TERMS OF FEASIBILITY, COST, TIMELINE,
- 16 MILESTONES, ALL OF THOSE ISSUES, THE PRESUMPTION IS
- 17 THAT THE EXPERTS ARE GOING TO BE MR. KASHIAN. AND THEN
- 18 ON THOSE GROUNDS ALONE, THEN THEY WOULD SAY HERE'S THE
- 19 TECHNICAL MERIT.
- 20 BUT THEN OTHER CONSIDERATIONS COME IN. AMONG
- 21 THEM, PARTICULARLY FOR THIS SET OF GRANTS, IS GOING TO
- 22 BE GEOGRAPHICAL DISTRIBUTION AND THE QUESTION OF HOW
- 23 FAR DOWN THE LIST TO GO OR WHETHER YOU WANT TO
- 24 REARRANGE THE LIST. RIGHT? THAT IS, TECHNICAL MERIT
- 25 MAY NOT BE THE ONLY THING YOU WANT TO DO. SO IT TURNS

- 1 OUT YOU LOOK AT THESE AND YOU FIND THE -- I'M MAKING
- THIS UP -- YOU FIND THAT SOME LARGE NUMBER ARE IN
- 3 SOUTHERN CALIFORNIA AND YOU'VE GOT ONLY TWO IN NORTHERN
- 4 CALIFORNIA OR VICE VERSA, OR YOU DON'T HAVE ANYTHING.
- 5 SO I THINK, PARTICULARLY FOR THESE, GIVEN THE
- 6 FACT THAT THEY ARE TO ENABLE PEOPLE AT DIFFERENT
- 7 INSTITUTIONS TO WORK AND PEOPLE AT MORE INSTITUTIONS
- 8 THAN WE'RE ABLE TO GIVE GRANTS, THEN I THINK IT WILL BE
- 9 INCUMBENT ON THE COMMITTEE TO THINK A LITTLE BIT ABOUT
- 10 GEOGRAPHICAL DISTRIBUTION. THAT IS, ARE THERE POCKETS
- 11 OF STEM CELL RESEARCHERS THAT AREN'T SERVED BY THE
- 12 DISTRIBUTION THAT WE HAVE, AND ALSO THE QUESTION OF HOW
- 13 FAR DOWN THE LIST TO GO. IT'S UP TO 15. IT MAY BE 12.
- 14 OR THIS GROUP MAY FEEL THEY OUGHT TO PUSH IT MORE AND
- 15 DO 16 OR 17.
- 16 I THINK THAT'S THE PREROGATIVE OF THE LARGER
- 17 GROUP TO PUT IN THOSE VALUE JUDGMENTS. SO THAT WAS THE
- 18 IDEA. AND I THINK THERE ARE THINGS THAT ARE
- 19 APPROPRIATE TO EACH LEVEL, BUT IT'S ALSO TRUE THERE MAY
- 20 BE OTHER WAYS OF ACCOMPLISHING THE SAME GOALS.
- MR. KLEIN: LET ME ASK THIS QUESTION IN LINE
- 22 WITH WHERE JEFF WAS GOING, I THINK. THE WAY I READ
- 23 THIS IS THAT THE REVIEWERS SUMMARIZE THE EVALUATION,
- 24 BUT THEN THERE'S A DISCUSSION OF EVERYONE IN THE
- 25 WORKING GROUP ON EACH APPLICATION.

- 1 DR. WRIGHT: BEFORE THE SCORING.
- 2 MR. KLEIN: THEN THE SCORING IS EVERYONE IN
- 3 THE WORKING GROUP, ALL THE MEMBERS. SO THAT AT LEAST
- 4 THE WAY I WAS READING IT, JEFF, IS THAT WHILE THE
- 5 WRITE-UPS ARE DONE BY CERTAIN MEMBERS, EVERYONE IS
- 6 GOING TO TRADE IDEAS ON EACH APPLICATION IN MUCH THE
- 7 SAME WAY YOU'RE ADVOCATING. BUT MAYBE AS YOU GO
- 8 FURTHER --
- 9 DR. HALL: I DID THE TWO STAGES.
- 10 MR. SHEEHY: DO WE ANTICIPATE INTERACTION
- 11 BETWEEN THE PRIMARY AND SECONDARY REVIEWERS, OR ARE
- 12 THOSE TWO SEPARATE, LIKE IN THE GRANTS WORKING GROUP,
- 13 THOSE ARE SEPARATED. IN FACT, THEY'RE NOT SUPPOSED TO
- 14 CONTACT. ARE THEY? I DON'T KNOW.
- 15 DR. HALL: ACTUALLY THEY'RE TRYING TO
- 16 AUTOMATE IT NOW SO THEY CAN CONTACT EACH OTHER ONLINE
- 17 AND STRAIGHTEN OUT ANY DIFFERENCES. THIS DOES HAVE A
- 18 PROVISION AT THE END OF THE PARAGRAPH.
- 19 MR. SHEEHY: I'M REALLY JUST TRYING TO
- 20 UNDERSTAND THE PROCESS.
- 21 CHAIRMAN DOMS: THESE ARE GOOD QUESTIONS.
- MR. SHEEHY: BUT THE OTHER THING, TOO, IS IN
- TERMS OF THESE VALUE JUDGMENTS, I WOULD PREFER -- I
- 24 MEAN I THINK -- I KIND OF DON'T LIKE THE SEPARATION OF,
- 25 LIKE, TECHNICAL AND VALUE. YOU KNOW, IF THOSE ARE

- 1 GOING TO BE CRITERIA THAT WE'RE GOING TO BE USING, LIKE
- 2 GEOGRAPHICAL DISTRIBUTION, THEN THAT SHOULD BE WEIGHED
- 3 IN EARLIER IN THE THING. IN OTHER WORDS, I JUST WORRY
- 4 THAT WE'RE GOING TO HAVE A NUMERICAL SCORING SYSTEM,
- 5 AND THEN WE'RE GOING TO HAVE ANOTHER SCORING SYSTEM,
- 6 AND THEY'RE NOT GOING TO MATCH. DO YOU SEE? WE COULD
- 7 HAVE THIS ALL RATED BY NUMBERS, BUT WE END UP HAVING
- 8 PEOPLE THAT SCORED HIGH, BUT NOT RECOMMENDED FOR
- 9 FUNDING.
- 10 MR. SERRANO-SEWELL: READING THIS, WE'RE
- 11 REALLY FOCUSING ON THIS THIRD FULL PARAGRAPH ON THIS,
- 12 UNDER THE PROCEDURES FOR REVIEW, THE SECOND PARAGRAPH.
- AND THAT IS, BOB WAS GOING ALONG WITH HOW HE ENVISIONED
- 14 IT. I SORT OF LIKED THAT BECAUSE SO FAR I'VE
- 15 ENVISIONED THE PROCESS THE SAME WAY; BUT I THINK THE
- 16 WAY THIS IS DRAFTED, YOU CAN INTERPRET IT A FEW
- 17 DIFFERENT WAYS. MY SET OF ASSUMPTIONS MAY NOT BE WHAT
- 18 WAS INTENDED OR INTENDED TO BE THE PROCESS.
- DR. HALL: WHAT BOB SAID IS CORRECT.
- MR. SERRANO-SEWELL: YEAH, SO FAR. AS WE
- 21 PLAY IT OUT, SO WE HAVE THE MEETING, RIGHT, THE
- 22 FACILITIES WORKING GROUP MEETING. THERE'S BEEN A
- 23 PRIMARY AND A SECONDARY REVIEW ALREADY DONE. WE'LL
- 24 THEN HAVE A DISCUSSION -- SORRY, BOB, FOR REPEATING
- 25 WHAT YOU SAID -- WE'LL HAVE SOME DISCUSSION,

- 1 FREE-FLOWING DISCUSSION, AND ALL THE MEMBERS OF THE
- 2 WORKING GROUP WILL SCORE IT FROM ZERO TO A HUNDRED. SO
- 3 FAR IS THAT RIGHT? AND THEN WE GIVE IT TO STAFF.
- 4 STAFF WILL RANK THEM. BRING THAT --
- DR. HALL: YEAH. YEAH. THAT'S RIGHT. IT'S
- 6 JUST A MECHANICAL FUNCTION.
- 7 MR. SERRANO-SEWELL: MECHANICAL FUNCTION,
- 8 MINISTERIAL. IT WILL COME BACK TO US, THEN THE FULL
- 9 WORKING GROUP, WITH THE VICE CHAIR PRESIDING, WITH MORE
- 10 INFORMATION POSSIBLY FROM THE GRANTS WORKING GROUP WILL
- 11 GIVE THE FINAL RECOMMENDATION FOR FUNDING IN THOSE
- 12 THREE CATEGORIES. IS THAT --
- DR. HALL: YES, THAT'S RIGHT.
- MR. SERRANO-SEWELL: -- SORT OF THE PROCESS?
- 15 I GUESS WHAT WAS CONFUSING FOR ME AND MAYBE FOR JEFF AS
- 16 WELL, AND THAT IS, THAT FIRST SENTENCE WHERE IT SAYS
- 17 THE CHAIR WILL PRESIDE OVER THE TECHNICAL EVALUATION,
- 18 AND IS THAT TECHNICAL EVALUATION IN ANY WAY SEPARATE
- 19 FROM THAT OVERALL ZERO TO 100 SCORING?
- 20 DR. HALL: THE INTENT WAS THAT WAS THE
- 21 TECHNICAL EVALUATION IN THE SAME WAY WE DO THE GRANTS
- 22 WORKING GROUP. SO THEN YOU COME OUT OF THE TECHNICAL
- 23 EVALUATION WITH A NUMBER.
- MR. SERRANO-SEWELL: ZERO TO A HUNDRED?
- DR. HALL: YEAH. AND THEN THEY'RE RANKED,

- 1 JUST AS YOU SAID, AND THEN YOU DECIDE IF YOU WANT TO
- 2 CHANGE THEM. IN TERMS OF THE RECOMMENDATION, YOU
- 3 DECIDE, WELL, MAYBE WE'LL MOVE THE LOWEST ONE FROM THIS
- 4 AREA DOWN, OR MAYBE LET'S GET IN ONE OR TWO MORE, OR
- 5 ACTUALLY WHATEVER.
- DR. WRIGHT: IT'S ANOTHER OPPORTUNITY TO
- 7 DISCUSS IT AS A GROUP.
- DR. HALL: IT'S ANOTHER OPPORTUNITY. THE
- 9 MAIN DIFFERENCE BETWEEN PART 1 AND PART 2 IS RUSTY
- 10 PRESIDES OVER PART 1 AND YOU PRESIDE OVER PART 2, BUT
- 11 THE WHOLE GROUP DISCUSSES AND THE WHOLE GROUP THEN
- 12 MAKES A DECISION.
- MR. SHEEHY: WHAT I'M LOOKING FOR IS
- 14 CONSENSUS DECISION-MAKING, I GUESS, IS WHAT I'M TRYING
- 15 TO SAY.
- MS. FEIT: I THINK I WOULD AGREE WITH JEFF ON
- 17 THAT POINT BECAUSE IF THIS GROUP IS GOING TO MAKE THE
- 18 RECOMMENDATION TO THE ICOC, THEY HAVE QUESTIONS.
- 19 SOMETHING COULD COME UP, AND I WOULD SAY I NEVER HEARD
- 20 THAT BEFORE. I DIDN'T REALIZE THAT THEY WERE THINKING
- 21 THAT WAY. YOU KNOW, IT'S KIND OF LIKE IF WE DIDN'T
- 22 HAVE A FINAL CONSENSUS MEETING ON HOW WE'VE RANKED
- 23 THEM --
- 24 CHAIRMAN DOMS: LET ME JUST SAY I NEVER
- 25 ENVISIONED ANY PROCESS OTHER THAN A CONSENSUS PROCESS

- 1 HERE. MAYBE IT'S THE WORD "TECHNICAL," BUT --
- MR. SHEEHY: IT'S ACTUALLY THE SECRET BALLOT
- 3 PART THAT THROWS ME OFF BECAUSE THAT TAKES US OUT OF
- 4 FREE EXCHANGE. SO I GO AND I WRITE DOWN MY NUMBER, AND
- 5 I'M NOT SHARING THAT. DO YOU SEE WHAT I MEAN? AS
- 6 OPPOSED TO, LIKE, WE COULD END UP WITH SOME -- WE COULD
- 7 RANK THEM, BUT ASSIGNING A NUMBER INDEPENDENTLY, THAT'S
- 8 WHAT FEELS WEIRD IS THE SECRET BALLOT PART, NOT THAT
- 9 I'M OPPOSED TO THAT PER SE.
- 10 CHAIRMAN DOMS: I THINK IF YOU TRIED TO GET A
- 11 CONSENSUS ON EVERY GRANT REQUEST, WE MIGHT BE HERE FOR
- 12 WEEKS. MAYBE --
- MR. SHEEHY: WELL, LET'S TRY IT.
- 14 CHAIRMAN DOMS: BE HERE FOR WEEKS?
- MR. SHEEHY: NO. NO. NO. BUT LET'S TRY
- 16 THIS PROCESS BECAUSE THIS IS INTERIM.
- 17 CHAIRMAN DOMS: THIS IS AN INTERIM PROCESS,
- 18 BUT IT'S -- TO ME, IT'S OPEN AND FREE INTERCHANGE ON
- 19 EACH GRANT REQUEST. AND IF YOU'RE NOT AWARE, IT'S
- 20 BECAUSE YOU'RE NOT AT THE MEETING. IT'S NOT AN ISSUE
- 21 FOR US THEN. AND WE HAVE TO HAVE A RANKING SYSTEM; AND
- 22 IF THE SECRET BALLOT ISN'T WHAT WE END UP WITH, WE HAVE
- 23 SOME TIME. I'M NOT GOING TOO FAR, AM I, JAMES?
- MR. HARRISON: YOU'RE NOT.
- 25 CHAIRMAN DOMS: LET'S GIVE IT A SHOT AND SEE

- 1 HOW IT WORKS. AND ASSUMING THAT IS -- IF THAT'S
- 2 AGREEABLE TO EVERYBODY, THEN THIS PROCESS IS ONE
- 3 THAT --
- 4 MR. SIMPSON: JOHN SIMPSON FROM THE
- 5 FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS. JUST A
- 6 QUESTION TO UNDERSTAND THE PROCESS. IS THIS GOING ON
- 7 IN PUBLIC, OR IS THIS A CLOSED MEETING WHEN YOU'RE
- 8 DOING THIS?
- 9 CHAIRMAN DOMS: IT'S A PUBLIC MEETING.
- 10 MR. SIMPSON: THAT WOULD BE A PUBLIC MEETING.
- 11 CHAIRMAN DOMS: YES.
- DR. SIMPSON: SO WOULD THE APPLICANTS BE
- 13 IDENTIFIED, OR WOULD THEY BE CODED SO WE DIDN'T KNOW
- 14 WHO THEY WERE? HOW WOULD THAT WORK?
- DR. HALL: WELL, THAT'S AN INTERESTING
- 16 QUESTION. FOR FACILITIES YOU COULD ARGUE THAT THE
- 17 CONCERN FOR PRIVACY THAT WE'VE HAD IS OUTWEIGHED BY THE
- 18 NEED TO KNOW WHERE THE FACILITY IS IN THE STATE. AND I
- 19 THINK THAT'S QUITE A REASONABLE THING, SO IT'S NOT --
- 20 MR. SIMPSON: THAT CERTAINLY WOULD BE MY
- 21 POSITION.
- DR. HALL: IT'S NOT CLEAR TO ME THAT THEY
- 23 NEED TO BE BLINDED IN THAT WAY.
- NOW, THE ONE TRICKY PART IS THE SCIENTIFIC
- 25 SCORE. THERE ARE TWO ISSUES ON IT. ONE IS WHETHER

- 1 THAT BECOMES SOMETHING -- SCIENTIFIC SCORE WILL
- 2 EVENTUALLY BE MADE PUBLIC. WHETHER WE COULD GET THAT
- 3 HERE SIX DAYS AFTER, AND IT WOULD ALMOST CERTAINLY BE
- 4 WITHOUT ANY COMMENT FOR THIS PARTICULAR REVIEW. I'M
- 5 NOT SURE.
- 6 MR. SHEEHY: WELL, THE SCIENTIFIC SCORES WILL
- 7 BE KNOWN BY THE ADVOCATE MEMBERS ON THE REVIEW.
- BUT THE RULES OF CONFIDENTIALITY
- 9 IN THE GRANTS REVIEW WORKING GROUP ARE THAT ONCE IT'S
- 10 OVER, YOU DON'T TALK ABOUT ANYTHING THAT HAPPENED IN
- 11 THE REVIEW WITH ANYBODY ELSE. THAT'S THE WHOLE POINT
- 12 OF CONFIDENTIALITY.
- 13 MR. SHEEHY: I'M AWARE OF THAT, BUT THOSE OF
- 14 US WHO PARTICIPATED IN THE GRANTS REVIEW WILL HAVE
- 15 INFORMATION THAT THE PEOPLE WHO DIDN'T PARTICIPATE WITH
- 16 THE GRANTS REVIEW DON'T HAVE. AND SO I THINK I'M
- 17 SITTING HERE WITH MY SECRET BALLOT, AND I KNOW THEY GOT
- 18 A VERY HIGH TECHNICAL SCORE FROM THE REAL ESTATE
- 19 EXPERTS THROUGH OUR PROCESS, BUT I ALSO KNOW THAT THE
- 20 SCIENTISTS THINK THIS IS A BUNCH OF HOOEY. AGAIN, THAT
- 21 PUTS US IN A LESS OPEN, LESS CONSENSUS KIND OF. I WILL
- 22 HAVE KNOWN WHAT COMMENTS WERE MADE.
- 23 DR. HALL: THAT'S AN INTERESTING THING. AND
- THE QUESTION IS FOR THESE KINDS OF GRANTS, SHOULD WE
- 25 MAKE THE SCIENTIFIC SCORES PUBLIC OR NOT. AND WE

- 1 CANNOT HAVE COMMENTARY RATED BY THEN, AND I THINK TO
- 2 GIVE THE RECOMMENDATIONS OF THAT GROUP WITHOUT WOULD BE
- 3 UNFAIR AT THAT EARLY STAGE. I THINK UNTIL WE HAVE THE
- 4 COMMENTARY AND HAVE SOME REASON TO THINK THAT --
- 5 MR. SHEEHY: WHAT WE'RE TALKING ABOUT IS A
- 6 REAL WORLD EXAMPLE, WHICH IS THE SHARED FACILITIES
- 7 GRANTS, WHICH ARE PROBABLY GOING TO BE A LOT EASIER AND
- 8 LESS CONTROVERSIAL THAN DOWN THE ROAD. THERE'S LIKE A
- 9 DIFFERENCE IN TALKING ABOUT POLICY THAT WE MAKE RIGHT
- 10 NOW JUST TO GET US THROUGH THE NEXT PHASE.
- 11 DR. HALL: I THINK LET'S DO THAT, AND THESE
- 12 ISSUES WILL BECOME VERY MUCH MORE IMPORTANT.
- 13 MR. SHEEHY: DOWN THE ROAD I WOULD LIKE US
- 14 ALL TO HAVE THE SAME INFORMATION WHEN WE'RE MAKING
- 15 DECISIONS TOGETHER SO THAT WE ARRIVE AT A TRUE
- 16 CONSENSUS.
- 17 MR. SERRANO-SEWELL: MAY I ASK SORT OF A
- 18 FOLLOW-UP JUST TO GET SOME CLARITY FOR MY BENEFIT?
- 19 THAT IS, THIS IS FOR THE FACILITIES WORKING GROUP, OUR
- 20 NEXT MEETING, WHEN WE'RE ACTUALLY RANKING AND VOTING
- 21 AND DISCUSSING, THE ENTIRETY OF THAT MEETING WILL BE IN
- 22 PUBLIC, OR WILL PORTIONS OF IT BE, FOR LACK OF A BETTER
- WORD, IN PRIVATE BECAUSE I KNOW PROP 71 EXEMPTS, I
- 24 THINK, THE FACILITIES WORKING GROUP FROM THE STATE
- 25 MEETINGS LAWS. THEREFORE, WE COULD HAVE A MEETING IN

- 1 PRIVATE.
- NOW, WE DECIDED AT THE GRANTS WORKING GROUP
- 3 TO DO SOMETHING ELSE, AND MAYBE WE WANT TO DO THAT
- 4 HERE. BECAUSE IF THE EXPECTATION FROM THE PUBLIC IS,
- 5 RUSTY, THAT THE ENTIRETY OF THE NEXT FACILITIES WORKING
- 6 GROUP MEETING WILL BE IN PUBLIC, THEN THAT IS OUR
- 7 POSITION FOR THE NEXT FACILITIES WORKING GROUP MEETING.
- 8 I DON'T WANT TO DEVIATE FROM THAT AT ALL. BUT IF
- 9 THERE'S GOING TO BE SOME PRIVATE PORTIONS OF THE
- 10 MEETING, THEN I WANT THAT TO BE UNDERSTOOD.
- 11 MR. KLEIN: IN THE FACILITIES SEARCH
- 12 COMMITTEE, THIS WAS DISCUSSED IN SOME DEPTH, IN FACT,
- 13 THERE'S A TRANSCRIPT RECORD OF THE DISCUSSION, BUT IT
- 14 DISCUSSED THAT, FOR EXAMPLE, IF THERE'S CONSTRUCTION
- 15 REBIDDING IN PROCESS BECAUSE THEY INITIALLY HAD A COST
- 16 OVERRUN AND THEY BELIEVE THEY CAN GET IT BACK IN THE
- 17 BUDGET, BUT THEY DON'T KNOW, THAT THAT TYPE OF A
- 18 DISCUSSION COULD BE IN AN EXECUTIVE SESSION. THAT IF
- 19 ON A MAJOR FACILITY FOR A SITE, FOR EXAMPLE, IF THERE'S
- 20 A LAND CONTROL ISSUE OR A LAND ACQUISITION AREA, THAT
- 21 THAT COULD BE IN PRIVATE. SO THERE'S A LIST OF THESE
- 22 ITEMS WHERE IT'S THOUGHT THAT -- IT WAS RECOMMENDED BY
- 23 THE FACILITIES SEARCH COMMITTEE THAT THERE WOULD BE
- 24 EXECUTIVE SESSIONS, BUT ALL OF THE ACTUAL AWARDS AND
- 25 RECOMMENDATIONS OF AWARDS WOULD ACTUALLY BE IN A PUBLIC

- 1 SESSION, AS JOHN SIMPSON'S QUESTION. I THINK HE KNOWS
- 2 THAT TRANSCRIPT PROBABLY PRETTY WELL.
- 3 THE KEY IS THAT IT WAS DISCUSSED THAT IN SOME
- 4 CASES THERE WOULD BE PROPRIETARY INFORMATION DEALING
- 5 WITH A TEAM OR A TASK FORCE THAT THE INSTITUTION HAS
- 6 PUT TOGETHER ON THE SCIENTIFIC SIDE; AND IF THAT
- 7 INFORMATION IS BROUGHT TO US, THAT SCIENTIFIC
- 8 INFORMATION WOULD BE PROTECTED IN THE EXECUTIVE
- 9 SESSION. YOU HAVE A DIFFICULTY, OBVIOUSLY, THAT JEFF
- 10 IS POINTING OUT QUITE ACUTELY, THAT IF WE IDENTIFY THE
- 11 APPLICATION AND THEN WE BRING IN THE SCIENTIFIC SCORE,
- 12 THAT WHEN WE GET TO THE BOARD, YOU WILL BE ABLE TO SAY,
- 13 WELL, WE KNOW WHAT SCIENTIFIC SCORE THAT INSTITUTION
- 14 GOT AS VERSUS THIS INSTITUTION, ETC. AND IT'S JUST A
- 15 POLICY QUESTION.
- MR. SERRANO-SEWELL: SO IS THE ANSWER TO MY
- 17 QUESTION YES OR NO?
- 18 MR. KLEIN: WE CAN HAVE EXECUTIVE SESSIONS
- 19 FOR SPECIFIC REASONS.
- MR. SERRANO-SEWELL: AND SO, RUSTY, I JUST
- 21 WANT CLARITY, HUNDRED PERCENT CLARITY, FOR THE NEXT
- 22 WORKING GROUP -- AND I UNDERSTAND WHAT THE POLICY
- 23 CONSIDERATIONS ARE. I HAVEN'T READ THE TRANSCRIPT, BUT
- 24 I CAN GUESS PRETTY WELL IN WHAT INSTANCES WE SHOULD
- 25 MEET IN PRIVATE. SO FAR NEXT MEETING WE HAVE THAT

- 1 OPTION.
- MR. KLEIN: YOU HAVE THE OPTION. YOU HAVE TO
- 3 DECIDE WHETHER IT WILL BE IN PUBLIC OR PRIVATE.
- 4 CHAIRMAN DOMS: LET ME ASK -- I HAVE A
- 5 QUESTION AND THEN A COMMENT. THE QUESTION IS -- THE
- 6 COMMENT, I'D LIKE TO HEAR YOUR TAKE ON ALL THIS.
- 7 MR. HARRISON: THE ICOC HAS ADOPTED MEETING
- 8 POLICIES FOR THIS WORKING GROUP. AND THE DEFAULT
- 9 POSITION IS THAT THIS WORKING GROUP WILL MEET IN PUBLIC
- 10 SESSION. HOWEVER, AS BOB POINTED OUT, THE ICOC
- 11 ENUMERATED A NUMBER OF EXCEPTIONS WHERE THIS WORKING
- 12 GROUP CAN GO INTO CLOSED SESSION TO REVIEW OR RECEIVE
- 13 CONFIDENTIAL INFORMATION. AND YOU WILL SEE IN A LATER
- 14 ITEM TODAY THAT THOSE SAME EXCEPTIONS ARE ENUMERATED IN
- 15 YOUR BYLAWS.
- 16 CHAIRMAN DOMS: THOSE ARE IN THE BYLAWS,
- 17 CORRECT.
- 18 MR. HARRISON: SO YOU WILL MEET IN OPEN
- 19 SESSION, BUT YOU DO HAVE THE ABILITY TO GO INTO CLOSED
- 20 SESSION TO RECEIVE SOME CONFIDENTIAL INFORMATION.
- DR. HALL: LET ME JUST CARRY ON AND BE SURE I
- 22 UNDERSTAND. ONCE YOU ARE DONE WITH THAT ITEM, THEN YOU
- 23 HAVE TO COME BACK OUT INTO OPEN SESSION?
- MR. HARRISON: CORRECT. THE RECOMMENDATIONS
- 25 FOR FUNDING, NOT FUNDING WILL ALL --

- 1 DR. HALL: WE CAN'T SAY WE HAVE ONE
- 2 APPLICATION THAT'S GOT SOME CONFIDENTIAL INFORMATION;
- 3 THEREFORE, WE'RE GOING TO CLOSE THE WHOLE THING OFF.
- 4 MR. HARRISON: THAT'S CORRECT.
- 5 CHAIRMAN DOMS: I HAVE TWO CONCERNS. IN OPEN
- 6 SESSION WE'RE TALKING ABOUT UP TO A MILLION DOLLARS FOR
- 7 RENOVATION, A MILLION DOLLARS FOR CAPITAL EXPENDITURES,
- 8 EQUIPMENT, AND THEN SOME MONEY FOR CERTAIN EXPENSES.
- 9 AND THIS MEETING IS OPEN TO THE PUBLIC AND WE'RE
- 10 DISCUSSING A GRANT REQUEST WITH THE PERSON SUBMITTING
- 11 IT IN THE AUDIENCE, WHO THEN BEGINS TO TAKE ISSUE WITH
- 12 OUR EVALUATION, AND HOW DO WE CONTROL THAT KIND OF A
- 13 SITUATION BECAUSE THE PUBLIC IS ALLOWED TO COMMENT
- 14 UNLESS YOU SAY -- CAN WE PUT A TIMEFRAME ON THEIR --
- 15 YOU HAVE THREE MINUTES TO RESPOND, AND THEN THAT IS THE
- 16 END OF THAT ISSUE WITH THAT GRANT REQUEST FROM THE
- 17 PERSON THAT'S SUBMITTING OR THE ENTITY THAT'S
- 18 SUBMITTING THE GRANT.
- 19 MR. HARRISON: THAT'S RIGHT. YOU CAN PUT A
- 20 TIME LIMIT, AS THE ICOC HAS DONE, TO CONTROL THE FLOW
- OF A PUBLIC MEETING. SO YOU CAN LIMIT SPEAKERS TO
- THREE MINUTES.
- 23 CHAIRMAN DOMS: I DON'T WANT TO LIMIT THE
- 24 DISCUSSION AMONG THE WORKING GROUP ON THAT SPECIFIC
- 25 GRANT. ON THE OTHER HAND, I DON'T WANT TO GET INTO A

- 1 PROTRACTED DISCUSSION WITH SOMEBODY IN THE AUDIENCE
- 2 ABOUT THE MERITS THAT WE MAY NOT -- THAT THAT
- 3 INSTITUTION SEES THAT WE DON'T.
- 4 MR. HARRISON: TO BE FAIR, YOU WOULD LIMIT
- 5 ALL PUBLIC SPEAKERS TO THREE MINUTES, AND THE BOARD
- 6 COULD SPEND AS MUCH TIME AS IT WISHED TO DISCUSS THE
- 7 MATTER.
- 8 DR. HALL: I THINK IT'S FAIR TO SAY THAT IF
- 9 WE GOT 30 APPLICATIONS. WE'D HAVE REPRESENTATIVES OF 30
- 10 INSTITUTIONS IN THE AUDIENCE. I SEE PEOPLE NODDING
- 11 THEIR HEADS AND, I GUESS, PLAN TO BE HERE.
- 12 CHAIRMAN DOMS: I HAVE A SECOND ISSUE, THEN,
- 13 ON THE FACILITIES WORKING GROUP. OUR JOB IS TO RULE
- 14 ON -- NOT RULE -- IS TO MAKE A RECOMMENDATION TO THE
- 15 ICOC ON RENOVATION, CAPITAL EXPENDITURES OR EQUIPMENT,
- 16 AND THE MISCELLANEOUS EXPENSES, SUPPLIES AND PERSONNEL.
- 17 I'M CONCERNED ABOUT THE EXPERTISE OF THE FACILITIES
- 18 WORKING GROUP TO MAKE THE RECOMMENDATION ON EQUIPMENT.
- 19 WHEN IT COMES TO THE SCIENTIFIC EQUIPMENT FOR THESE
- 20 FACILITIES, I'LL SAY I DON'T HAVE THE EXPERTISE, AND
- 21 I'M NOT SURE, MAYBE YOU DO, ED.
- 22 MR. KASHIAN: I HAVE WHERE CARDIAC DISEASE IS
- 23 CONCERNED.
- MS. HYSEN: I HAVE WHEN IT COMES TO
- 25 CAPITALIZING AND FINANCING CAPITAL EQUIPMENT. DGS,

- 1 WHERE I WAS, WE WOULD FINANCE ALL OF THE CAPITAL
- 2 EQUIPMENT PURCHASED BY THE STATE. SO I'M FAMILIAR WITH
- 3 THE FINANCING SIDE, NOT SPECIFIC TO SCIENTIFIC.
- 4 CHAIRMAN DOMS: I DON'T WANT TO GET TOO FAR
- 5 OUT HERE. I SAID YOU CAN PULL ME BACK WHEN I'M GETTING
- 6 TOO FAR.
- 7 DR. HALL: LET ME MAKE A SUGGESTION, IF I
- 8 MIGHT. SO WE'VE BEEN THINKING ABOUT HOW TO HANDLE THIS
- 9 BECAUSE, AS IT'S GOTTEN CLOSER AND CLOSER, HOW ARE WE
- 10 GOING TO DO THIS. AND PARTICULARLY, HOW ARE WE GOING
- 11 TO COUPLE CONFIDENTIAL SCIENTIFIC REVIEW WHERE OUR
- 12 PRINCIPLE IS THAT WE WANT FRANK DISCUSSION, AND WE
- 13 DON'T INTEND TO STIGMATIZE THE SCIENTISTS OR THE
- 14 INSTITUTIONS THAT ARE INVOLVED. AND THEN THE INTERVIEW
- 15 OF CONSTRUCTION AND RENOVATION ISSUES WHERE PERHAPS
- 16 IT'S LESS PERSONAL, PERHAPS NOT, I DON'T KNOW. BUT OUR
- 17 THOUGHT HAS BEEN THE FOLLOWING, THAT THE WAY WE'RE
- 18 THINKING ABOUT STRUCTURING THIS IS TO HAVE BASICALLY
- 19 THREE SECTIONS THAT INSTITUTIONS ARE REQUIRED TO
- 20 ANSWER.
- ONE IS SCIENTIFIC NEED AND USE. THAT IS TO
- 22 SAY, WHY DO YOU NEED THIS FACILITY? DO YOU HAVE ANY
- 23 OTHER FACILITIES? HOW MANY PEOPLE MIGHT USE IT FROM
- 24 YOUR INSTITUTION? ARE THERE OTHER INSTITUTIONS IN THE
- 25 VICINITY WHO MIGHT PROFIT FROM IT IF THEY DON'T GET A

- 1 GRANT? AND THERE IT REALLY HAS TO DO WITH THE SIZE AND
- 2 QUALITY OF THE STEM CELL PROGRAM, IN PART BECAUSE, IF
- 3 YOU'RE GOING TO HAVE A FACILITY LIKE THIS, YOU NEED
- 4 KNOWLEDGEABLE PEOPLE TO RUN IT, AND IT NEEDS TO SERVE
- 5 GOOD SCIENCE. SO THAT WOULD BE PART OF THE POINT.
- 6 SECOND IS HOW WOULD IT BE MANAGED? THAT IS,
- 7 THERE PRESUMABLY WOULD BE A PI WHO WOULD BE
- 8 RESPONSIBLE. THERE NEEDS TO BE AN OVERSIGHT COMMITTEE,
- 9 AND THERE NEEDS TO BE GOOD EXPERTISE ON HUMAN STEM CELL
- 10 CULTURE, HUMAN EMBRYONIC STEM CELL CULTURE IN HANDLING
- 11 ON THAT COMMITTEE. OTHERWISE, YOU DON'T -- SOMEWHERE
- 12 THERE NEEDS TO BE THAT KIND OF EXPERTISE AND THE
- 13 INSTITUTION NEEDS TO BE INVOLVED. AND THEN HOW WILL
- 14 THE DAY-TO-DAY MANAGEMENT BE HANDLED? WHO DO THEY PLAN
- 15 TO HIRE? WHAT KIND OF PERSON THEY PLAN TO HIRE TO RUN
- 16 IT? AND HOW WILL THEY PRIORITIZE? ANOTHER MANAGEMENT
- 17 QUESTION IS IT'S LIKE RUNNING A LINEAR ACCELERATOR OR
- 18 SOMETHING, THAT PEOPLE WANT TO DO EXPERIMENTS, AND HOW
- 19 DO YOU DECIDE WHO GETS TO USE IT? AND IF SOMEBODY FROM
- 20 ANOTHER INSTITUTION COMES, HOW DO YOU MATCH THEIR
- 21 PRIORITIES AGAINST YOUR OWN? HOW ARE THEY GOING TO
- 22 DECIDE THESE QUESTIONS?
- 23 SO THOSE WOULD BE NOS. 1 AND NO. 2, AND NO. 3
- 24 WOULD BE LABORATORY RENOVATION AND EQUIPMENT. WHAT'S
- 25 THE CURRENT STATUS OF THE SPACE? WHAT KIND OF BUILDING

- 1 IS IT IN? WHAT ARE THE PLANS FOR RENOVATION? HOW WILL
- THE PROJECT BE MANAGED? A LOT OF THE THINGS WE TALKED
- 3 ABOUT THIS MORNING. WHAT WOULD THE COST AND TIMELINE
- 4 BE? IS THERE APPROPRIATE CONTINGENCY? ARE ALL THE
- 5 PERMITS NECESSARY OBTAINED? THOSE KINDS OF QUESTIONS
- 6 WOULD BE IN PART 3.
- 7 NOW, WHAT WE THOUGHT WAS THAT THE LIST -- ONE
- 8 OF THE QUESTIONS IS DOES THE LIST OF EQUIPMENT THEY
- 9 WANT MATCH THE SCIENTIFIC NEED AND THE SIZE OF THE
- 10 ENTERPRISE? THAT IS, IF YOU ARE ONLY GOING TO HAVE
- 11 THREE PEOPLE USING IT, YOU DON'T NEED THREE FANCY
- 12 MICROSCOPES. AND SO ONE POSSIBILITY WOULD BE TO ASK
- 13 THE SCIENTIFIC, THE GRANTS GROUP, WHO WILL HAVE THAT
- 14 EXPERTISE, JUST YES OR NO, IS THE EQUIPMENT REQUEST
- 15 APPROPRIATE FOR THE INTENDED USE? AND THAT THAT COULD
- 16 BE INCLUDED IN THEIR COMMENTS, AND THEN WOULD GIVE YOU
- 17 THE KIND OF ADVICE THAT MAYBE YOU NEED FOR THAT.
- 18 THAT'S JUST A SUGGESTION.
- 19 MS. FEIT: JUST TO RESPOND TO THE CHAIR'S
- 20 COMMENT. I'VE BUILT LABORATORIES AND I'VE PURCHASED
- 21 THE EQUIPMENT FOR THEM ALSO.
- 22 CHAIRMAN DOMS: I'LL COME BACK TO YOU IN JUST
- 23 A SECOND.
- MS. FEIT: SO I DO UNDERSTAND.
- 25 MR. KLEIN: TO AUGMENT WHAT MARCY FEIT IS

- 1 INDICATING AS SOME SIGNIFICANT EXPERTISE THAT MAY BE ON
- THE COMMITTEE, WE HAVE THE ABILITY TO HAVE AD HOC
- 3 EXPERTISE. FOR EXAMPLE, WE COULD HAVE A CONTRACT WITH
- 4 A FIRM THAT IS AN EXPERT AT ACQUIRING EQUIPMENT, WHO
- 5 WOULD EVALUATE FOR US ROUGHLY THE COST OF THE EQUIPMENT
- 6 WITHIN REASONABLE PARAMETERS. THERE ARE GOING TO BE
- 7 DIFFERENT CONSIDERATIONS FROM INSTITUTION TO
- 8 INSTITUTION BECAUSE THEY HAVE DIFFERENT PURCHASING
- 9 AGREEMENTS, BUT THEY COULD JUST VALIDATE FOR US WITHIN
- 10 A REASONABLE RANGE. SO WE HAVE THE ABILITY TO HAVE
- 11 OUTSIDE AD HOC EXPERT COMMENTS THAT ARE ADDED WHEN
- 12 STAFF THINKS IT'S NECESSARY.
- DR. HALL: USUALLY FOR EQUIPMENT THAT SIZE,
- 14 THERE ARE VERY FEW VENDORS. AND YOU ASK FOR -- TO TELL
- 15 YOU WHAT MODEL AND WHAT THEY WANT AND WHAT THE BID IS
- 16 FOR IT, AND YOU ASK THEM TO JUSTIFY WHY THEY WANT THAT
- 17 PARTICULAR ONE VERSUS ANOTHER ONE. AND IT'S A LITTLE
- 18 BIT TRICKY BECAUSE IT'S, JUST AS REBEKAH WAS SAYING
- 19 THIS MORNING, LOW BIDDER ISN'T ALWAYS THE BEST.
- 20 SOMETIMES YOU HAVE NEED FOR A SLIGHTLY DIFFERENT SET OF
- 21 EQUIPMENT. IT'S THE VALUE YOU WANT. SO, IN GENERAL, I
- THINK IF PEOPLE GIVE A REASONABLE BID FROM A REASONABLE
- VENDOR, AND THAT'S THE ONE THEY WANT, I THINK OUR
- 24 ATTEMPTS TO SECOND-GUESS IT WOULD BE DIFFICULT.
- 25 I THINK THE QUESTION IS TWO PHOTON

- 1 MICROSCOPES COST, WHAT, \$400,000 OR SOMETHING LIKE
- 2 THAT. SUPPOSE THEY -- FIVE, SIX, WHATEVER IT IS, BUT
- 3 THEY'RE VERY, VERY EXPENSIVE. SO IF YOU REALIZE THAT
- 4 WHAT PEOPLE WERE DOING WAS TRYING TO SLIDE IN SOME
- 5 EXTRA EQUIPMENT IN HERE TO BUY FOR THEIR INVESTIGATORS
- 6 TO TAKE ADVANTAGE OF OUR MONEY THAT THEY ACTUALLY DON'T
- 7 NEED FOR THE SHARED SPACE, THAT'S WHAT YOU WOULD BE
- 8 MOST CONCERNED ABOUT. ARE THE NUMBERS THAT THEY WANT
- 9 AND THE KINDS OF THINGS THEY WANT APPROPRIATE FOR THE
- 10 WORK THAT IS TO BE DONE THERE. THAT'S THE ISSUE.
- 11 CHAIRMAN DOMS: I THINK THAT IS THE ISSUE.
- 12 DOES THIS COMMITTEE HAVE THE EXPERTISE TO --
- 13 MR. KLEIN: WHEN WE'RE GOING TO THE NEXT
- 14 STAGE TO MAJOR BUILDINGS THAT MAY HAVE LOTS OF
- 15 EQUIPMENT IN THEM, YOU MAY NEED AN AD HOC EXPERT
- 16 SUBJECT TO THE STAFF'S DISCRETION BECAUSE THE RANGE OF
- 17 THE EQUIPMENT, AND IT WOULD BE FAIRLY BURDENSOME,
- 18 POTENTIALLY, TO HAVE THE SCIENTIFIC GROUP TRY AND
- 19 FIGURE OUT HOW MANY PIECES ARE APPROPRIATE.
- DR. HALL: I THINK FOR THIS PARTICULAR, IF WE
- 21 STICK TO THIS ONE, WHICH IS THE TASK AT HAND, LET'S
- 22 SOLVE THE SIMPLE PROBLEMS FIRST BECAUSE THE HARD ONES
- 23 ARE GOING TO POSE A NUMBER OF CHALLENGES FOR US. I
- 24 THINK HERE WHAT THEY'LL WANT WILL BE -- ARLENE, YOU CAN
- 25 CORRECT ME ON THIS -- WILL BE INCUBATORS, FREEZERS AND

- 1 REFRIGERATORS, HOODS, MICROSCOPES, AND THAT'S PROBABLY
- THE BIG THINGS. SOMEPLACE MAY SAY WE PLAN ON DOING
- 3 THESE KINDS OF EXPERIMENTS AND THEY HAVE TO BE DONE ON
- 4 THE CELLS RIGHT IN THE ROOM, SO WE ALSO REQUEST THIS.
- 5 CHAIRMAN DOMS: SO WHAT -- YOU WANT TO SAY
- 6 SOMETHING?
- 7 MR. KASHIAN: NOT ON THIS SUBJECT.
- 8 CHAIRMAN DOMS: LET ME JUST FINISH THIS.
- 9 THEN IN TERMS OF THE EQUIPMENT, THE MILLION DOLLARS, UP
- 10 TO A MILLION DOLLARS FOR EQUIPMENT, I THINK WHAT WE'RE
- 11 SAYING IS THAT SHOULD STAY WITHIN THE PURVIEW OF THE
- 12 FACILITIES WORKING GROUP. AND WE CAN EITHER ADDRESS
- 13 THAT ISSUE WITH -- I REMEMBER SAYING THIS AT THE LAST
- 14 MEETING -- WITH STAFF OR WITH MARCY'S HELP OR IF WE
- 15 HAVE TO BRING IN SOMEBODY ON A LIMITED BASIS, ON AN AD
- 16 HOC BASIS, A CONSULTANT TO HELP US UNDERSTAND THAT WHAT
- 17 THEY'RE PROPOSING IS REASONABLE FOR THE RESEARCH THAT
- 18 THEY'RE GOING TO PERFORM, SO THAT STAYS IN THIS GROUP.
- 19 AND WE'RE NOT LOOKING TO A RECOMMENDATION FROM THE
- 20 GRANTS WORKING GROUP.
- 21 DR. CHIU: I THINK YOU WILL NOT BE USING A
- 22 GOOD OPPORTUNITY SINCE THE GRANTS WORKING GROUP WILL BE
- 23 LOOKING AT THE SCIENCE, AND THEY'RE USED TO IN MANY
- 24 GRANTS, WHEN THEY REQUEST EQUIPMENT, TO SORT OF GLASS
- 25 THROUGH AND SAY IS THIS APPROPRIATE WITHOUT DEFINING

- 1 YOU HAVE TO BUY A \$500,000 FACS VERSUS A MILLION
- DOLLARS FACS, BUT JUST TO SAY DO YOU NEED A FACS AT
- 3 ALL, THAT KIND OF THING. IT WILL JUST BE A BRIEF
- 4 RECOMMENDATION, APPROPRIATE OR NOT APPROPRIATE, BUT AT
- 5 LEAST THAT WOULD BE OF SOME HELP.
- DR. HALL: I THINK, YES. IF YOU WANT STAFF
- 7 INPUT, I THINK WHAT WE'D DO WOULD BE TO ASK -- THESE
- 8 ARE PEOPLE WHO ACTUALLY WORK IN THE LABS AND WHO USE
- 9 THE STUFF ALL THE TIME. IS THIS REASONABLE?
- 10 CHAIRMAN DOMS: ARE WE GOING TO ASK THE
- 11 GRANTS WORKING GROUP FOR A RECOMMENDATION? I THOUGHT
- 12 WE WERE HEADING IN THE DIRECTION --
- DR. HALL: WELL, I WOULD SAY ARLENE WAS, I
- 14 THINK, MAKING THE ARGUMENT THAT THESE ARE THE PEOPLE
- 15 WHO KNOW BETTER THAN ANYBODY. IF WE COULD THINK OF A
- 16 WAY TO GET THAT INFORMATION, IT WOULD BE VERY HELPFUL.
- 17 MR. KLEIN: BECAUSE YOU HAVE SUCH A BURDEN ON
- 18 THEM ALREADY, ARE THEY GOING TO BE ABLE TO DRILL DOWN
- 19 TO THE LEVEL OF DO THEY NEED THIS MICROSCOPE OR THIS
- 20 FACS?
- DR. CHIU: THEY DO THAT ROUTINELY FOR MOST
- 22 GRANTS, I THINK. IT'S JUST A VALIDATION OF WHETHER
- 23 THIS IS A REASONABLE REQUEST OR NOT. I DON'T THINK A
- 24 MILLION DOLLARS WILL BUY YOU SO MANY PIECES OF
- 25 EQUIPMENT, BUT JUST --

- 1 CHAIRMAN DOMS: THEY'RE GOING TO BE LOOKING
- 2 AT IT ANYWAY.
- 3 DR. HALL: THEY'LL BE LOOKING AT IT ANYHOW.
- 4 I THINK THEIR VIEW WILL BE IS THIS OUTRAGEOUS OR NOT?
- 5 MR. KLEIN: SO THIS IS A GENERAL LEVEL OF
- 6 INPUT FROM THEM AS TO SUPPLEMENT WHATEVER --
- 7 DR. HALL: IT WILL FLAG -- I'LL TELL YOU WHAT
- 8 IT WILL DO, BOB. IT WILL FLAG AN UNREASONABLE REQUEST.
- 9 MS. FEIT: AND THEN WE CAN DRILL DOWN ON IT.
- 10 CHAIRMAN DOMS: MARCY, ARE YOU COMFORTABLE?
- MS. FEIT: OH, YES.
- MR. KASHIAN: IT WAS ON A DIFFERENT SUBJECT.
- 13 WOULD IT BE A GOOD IDEA TO ASK THE APPLICANT'S
- 14 REPRESENTATIVE OR APPLICANT TO MAKE A BRIEF ORAL
- 15 PRESENTATION ON THEIR SUBJECT? AND IF HE'S ALLOWED TO
- APPEAR, ARE WE PERMITTED TO ASK HIM QUESTIONS?
- 17 MR. SERRANO-SEWELL: I'D LIKE TO COMMENT ON
- 18 THAT. I'D LIKE THE FLEXIBILITY OF HAVING THE APPLICANT
- 19 SPEAK BEFORE IN THAT KIND OF SETTING, BUT I'M HESITANT
- 20 TO SET A PRECEDENT BECAUSE IT'S MY PREFERENCE THAT WE
- 21 PROCEED AS CONSERVATIVELY AS POSSIBLE. TO ME, THAT
- 22 MEANS JUST STRICTLY FOLLOWING THE PROCESS WE HAVE RIGHT
- NOW. AND THAT IS, THEY SUBMIT THEIR APPLICATIONS, WE
- 24 MEET, WE SCORE, WE'RE DONE, WE MOVE ON. I DON'T WANT
- 25 TO GET INTO A BACK AND FORTH WITH THE REPRESENTATIVES

- 1 FROM THE INSTITUTIONS. THEY START COMING. IT GETS A
- 2 LITTLE BIT MORE POLITICAL. AND THEN THERE'S PRESSURE
- 3 POINTS, AND WE'VE GOT ENOUGH TO DEAL WITH ALREADY.
- 4 SO FOR THIS APPLICATION, I WOULD SAY, FOR
- 5 THIS PROCESS, I WOULD -- THAT'S MY OPINION. FOR OTHER
- 6 PROCESSES DOWN THE ROAD, THOUGH, IT MAY BE OF SOME
- 7 BENEFIT. WHEN WE START TALKING ABOUT BIGGER PROJECTS,
- 8 IT MAY BE OF REAL BENEFIT TO HAVE APPLICANTS COME AND
- 9 GIVE A PRESENTATION WITH THEIR PLANS AND WHAT THEY WANT
- 10 TO DO. I WOULD NOT WANT TO FORECLOSE IT.
- 11 CHAIRMAN DOMS: YOU HAD A QUESTION.
- 12 MS. YAMAUCHI: I'M LORI YAMAUCHI. I'M
- 13 ASSISTANT VICE CHANCELLOR FOR CAMPUS PLANNING AT UCSF.
- 14 I JUST HAD ONE QUESTION. COULD YOU FORESEE A SCENARIO
- 15 IN WHICH THE FACILITIES WORKING GROUP MAKES A
- 16 RECOMMENDATION FOR A LAB GRANT TO SERVE MULTIPLE
- 17 INVESTIGATORS WHO HAVE SEED GRANTS PENDING, AND THE
- 18 GRANTS WORKING GROUP DECIDES -- WHERE THE FACILITIES
- 19 WORKING GROUP DECIDES TO RECOMMEND THAT THE LAB
- 20 GRANT -- FACILITIES GRANT BE GRANTED, BE APPROVED, BUT
- THE SEED GRANT IS NOT APPROVED OR RECOMMENDED FOR
- 22 APPROVAL BY THE GRANTS WORKING GROUP?
- 23 DR. HALL: I THINK IT WOULD BE IMPOSSIBLE TO
- 24 COORDINATE THAT. I THINK WHAT WE WILL HAVE TO LOOK AT
- 25 IS AN ORGANIZATION WILL COME IN AND SAY WE HAVE X

- 1 NUMBER OF PEOPLE NOW DOING THIS WORK. WE HAVE THIS
- 2 MANY PEOPLE WHO'VE APPLIED FOR SEED GRANTS. AND I
- 3 DON'T THINK WE -- I THINK WE JUST WILL HAVE TO DEAL
- 4 WITH IT WITHOUT KNOWING WHICH ONES HAVE BEEN FUNDED.
- 5 WHAT DO YOU THINK, ARLENE?
- 6 DR. CHIU: I DON'T THINK THE TIMING
- 7 ACTUALLY --
- 8 DR. HALL: TIMING IS GOING TO BE VERY
- 9 DIFFICULT.
- 10 DR. CHIU: I DON'T THINK THE ICOC MEETS TO
- 11 APPROVE THE SEED GRANTS UNTIL POSSIBLY END OF JANUARY,
- 12 AT WHICH TIME YOU MIGHT HAVE MET ALREADY TO DECIDE ON
- 13 THE FACILITIES.
- DR. HALL: WELL, ALSO REMEMBER THE GRANTS
- WORKING GROUP, WHO IS GOING TO JUDGE THE SCIENTIFIC
- 16 QUALITY, WILL HAVE TO MEET IN EARLY JANUARY, AND IT
- 17 CERTAINLY WON'T BE READY BY THEN.
- DR. CHIU: THAT'S RIGHT. THE TIMING WON'T
- 19 DOVETAIL.
- DR. HALL: SO THAT, AGAIN -- WELL, WE DON'T
- 21 KNOW. UNTIL THE ICOC HAS ACTUALLY RECOMMENDED, YOU
- 22 DON'T KNOW WHO'S GOING TO GET A GRANT OR YOU DON'T KNOW
- 23 WHO'S NOT GOING TO GET A GRANT. AND THE SEED GRANT
- 24 PEOPLE HAVE -- WE'VE GOTTEN A LOT OF INQUIRIES ABOUT
- 25 THIS. THEY SAY DO WE HAVE TO HAVE THE SPACE TO DO THIS

- 1 WORK? AND WHAT WE'VE SAID TO THEM IS IF YOUR
- 2 INSTITUTION PLANS TO APPLY, YOU SHOULD SAY THAT. AND
- 3 IF THEY SHOULD NOT BE SUCCESSFUL, THEN YOU SHOULD SAY
- 4 IT WILL BE A NEIGHBORING INSTITUTION THAT YOU WOULD BE
- 5 ABLE TO ALSO DO YOUR WORK AT. I THINK, THEN, IT WILL
- 6 BE OUR JOB TO MAKE SURE THAT THERE IS SPACE THAT CAN BE
- 7 USED SO THAT NOBODY HAS TO GO TOO FAR AWAY FROM SPACE
- 8 SHOULD THEY NEED IT.
- 9 IT'S A LITTLE TRICKY HERE. WE'RE HAVING TO
- 10 SORT OF CHOOSE BETWEEN FUNDING THE ABSOLUTE BEST AND
- 11 ALSO MAKING SURE THAT WE ACCOMMODATE, IN TERMS OF THE
- 12 WHOLE EFFORT, THAT WE ACCOMMODATE AS MANY PEOPLE AS
- 13 POSSIBLE. AND I THINK THAT WOULD BE PART OF THE PART 2
- 14 DISCUSSION THAT WE UNDERTAKE.
- 15 CHAIRMAN DOMS: LET ME GET TO BOB, AND THEN
- 16 I'LL GET TO YOU.
- 17 MR. KLEIN: WELL, ZACH, IN TERMS OF THE SEED
- 18 GRANTS AS WELL, IF THIS IS A SHARED LAB FACILITY THAT'S
- 19 AVAILABLE WITHIN A GEOGRAPHIC AREA, IT MAY BE THAT
- 20 THERE ARE INVESTIGATORS AT DIFFERENT INSTITUTIONS THAT
- 21 MIGHT BE SHARING THIS. SO IT'S POSSIBLE WE WOULD HAVE
- 22 ANOTHER SEED ROUND, A SUPPLEMENTAL SEED ROUND AT SOME
- 23 POINT, BUT THE ISSUE IS THAT WE MAY HAVE A SEED GRANT
- 24 AT ONE INSTITUTION THAT IS NOT FUNDED, BUT SEED GRANTS
- 25 AT TWO OTHER INSTITUTIONS THAT ARE GOING TO SHARE THE

- 1 FACILITY THAT ARE FUNDED. SO I THINK THAT WE NEED TO
- 2 GO FORWARD AND PUT FACILITIES ON A PORTFOLIO BASIS INTO
- 3 CERTAIN AREAS SO THAT WE MAKE SURE WE COVER THE AREA
- 4 AND DON'T FORECLOSE THE ABILITY FOR RESEARCH WITHIN
- 5 THAT GEOGRAPHIC RANGE. IS THAT APPROPRIATE?
- DR. HALL: ABSOLUTELY. THAT'S GREAT.
- 7 MR. REED: IS THERE A LIST OF AT LEAST
- 8 PUBLICLY FUNDED INSTITUTIONS AS TO WHAT EQUIPMENT IS AT
- 9 WHAT SITES SO THAT MAYBE ON EXPENSIVE PIECES OF
- 10 EQUIPMENT, COOPERATING INSTITUTIONS COULD SHARE RATHER
- 11 THAN BUY INDIVIDUALLY?
- DR. HALL: WE MAY DO THAT LATER AT SOME
- 13 POINT, DON. AND THE THING THAT ARLENE MENTIONED, THE
- 14 FACS MACHINES IS A VERY -- THESE, BY THE WAY, ARE
- 15 F-A-C-S -- THESE ARE FLUORESCENT ACTIVATED CELL
- 16 SORTERS.
- 17 MR. KLEIN: THE HIGH THROUGHPUT CELL SORTER.
- DR. HALL: AND THEY TURN OUT TO BE VERY
- 19 ENABLING. BASICALLY YOU HAVE A MIXED GROUP OF CELLS
- 20 AND YOU LABEL ONE WITH A FLUORESCENT DYE, AND THEN YOU
- 21 RUN THEM THROUGH ONE BY ONE, AND THE MACHINE SORTS THEM
- 22 INTO TEST TUBES, AND YOU NOW GET THE LABELED ONES AND
- THE UNLABELED ONES, AND SO THAT'S A VERY POWERFUL TOOL.
- 24 THAT'S BEEN VERY HELPFUL. WE HEARD IN THE STRATEGIC
- 25 PLAN ADVISORY COMMITTEE THAT THIS HAD BEEN VERY USEFUL

- 1 AT HARVARD, AND SO THERE MAY BE A POINT, FOR EXAMPLE,
- 2 IN WHICH WE WOULD SAY MAYBE WE'LL HAVE AN RFA TO PUT
- 3 THOSE ACROSS THE STATE. AND THEN WE'D ASK. JUST PUT
- 4 IT IN AS PART OF YOUR GRANT; BUT RATHER THAN HAVE US GO
- 5 OUT AND DO THE LEGWORK, WE WOULD ASK THE INSTITUTION TO
- 6 TELL US HOW MANY FACS MACHINES YOU HAVE AND WHO CAN USE
- 7 THEM? WHY DO YOU NEED ONE?
- 8 SO IT WOULD BE THAT SORT OF THING, BUT I
- 9 THINK THE THINGS WHERE WE INVENTORY IS NOT GOOD USE OF
- 10 OUR TIME. WE ASK THEM AS PART OF THE APPLICATION TO DO
- 11 IT FOR US.
- 12 MR. REED: THAT WAS MY POINT. IS THERE A
- 13 STATEWIDE LIST OF EXPENSIVE PIECES OF TECHNOLOGY THAT
- 14 ARE AVAILABLE?
- 15 CHAIRMAN DOMS: I DON'T BELIEVE THERE IS.
- 16 LET ME --
- 17 MR. SERRANO-SEWELL: I WAS JUST GOING TO
- 18 SUGGEST, RUSTY. WE'VE HAD A GOOD CONVERSATION, AND I
- 19 WANT TO MAKE SURE WE HAVE ENOUGH TIME TO TALK ABOUT THE
- 20 CRITERIA.
- 21 CHAIRMAN DOMS: I WAS GOING TO JUST SORT OF
- 22 SUMMARIZE A COUPLE OF THE ISSUES. THESE MEETINGS WILL
- 23 BE OPEN TO THE PUBLIC. IN TERMS OF EQUIPMENT, WE WILL
- 24 LOOK FOR AN OPINION FROM THE GRANTS REVIEW COMMITTEE,
- 25 BUT WE WILL BE MAKING THE DECISION ON THE EQUIPMENT.

- 1 IS THAT A FAIR STATEMENT, ARLENE?
- DR. CHIU: YES.
- 3 DR. HALL: CAN I RAISE ONE POINT BEFORE WE
- 4 LEAVE THIS PAGE? AND THAT IS, THIS WAS ACTUALLY A
- 5 PROCEDURE THAT WAS APPROVED, I THINK, AT THE LAST
- 6 MEETING OR DISCUSSED. IT WAS NOT APPROVED, IF I'M NOT
- 7 MISTAKEN, BUT I THINK THAT'S RIGHT. THAT IS, WE TOOK
- 8 AND WE MODIFIED THE CRITERIA, BUT EVERYTHING ELSE WAS
- 9 FROM THE LAST TIME.
- 10 THE ONLY THING IS FOR THIS REVIEW, ARLENE, IT
- 11 SAYS CIRM STAFF WILL PRESENT FOR CONSIDERATION THE
- 12 FACILITIES SCORE ALONG WITH THE SCIENTIFIC SCORE AND
- 13 POSSIBLY THE SCIENTIFIC RECOMMENDATION. I DON'T
- 14 THINK -- IF WE HAVE THE TIGHT TIMELINE WE'RE
- 15 ANTICIPATING, WE WILL NOT GET THE SCIENTIFIC
- 16 RECOMMENDATION. AND THE QUESTION IS WHETHER WE THEN
- 17 MAKE THE SCORE PUBLIC AT THIS POINT BEFORE THE ICOC
- 18 MEETING, AND THEN HOW THAT INFORMATION WOULD BE USED BY
- 19 THIS COMMITTEE. AND IF IT'S POSSIBLE, I'D LIKE TO JUST
- 20 BE SURE WE ALL -- TO DISCUSS THAT AND SEE WHAT WE
- 21 THINK.
- DR. CHIU: SO TRADITIONALLY WE DON'T IDENTIFY
- 23 THE INSTITUTION AND GIVE THE SCIENTIFIC SCORE UNTIL
- 24 AFTER THE ICOC HAS APPROVED. AND SO THIS WOULD BE A
- 25 DIFFERENCE.

- 1 WHAT THE GRANTS WORKING GROUP AND DATA FROM
- THE GRANTS WORKING GROUP COULD BE PRESENTED IS THEIR
- 3 QUICK EVALUATION OF EQUIPMENT. THAT'S EASY ENOUGH. WE
- 4 COULD GO THROUGH THE APPLICATIONS AND JUST GIVE A VERY
- 5 GENERIC, VERY BASIC STATEMENT. BUT IN TERMS OF THE
- 6 SCIENTIFIC SCORE, I AM CONCERNED THAT YOU WILL NOW KNOW
- 7 UCSF GOT A SCORE OF X, BURNHAM GOT A SCORE OF Y, ETC.
- 8 AND, YOU KNOW, THAT WILL COME UP BEFORE THE ICOC SEES
- 9 BOTH, AND WHETHER THAT YOUR RECOMMENDATION WILL NOW BE
- 10 BASED ON TWO SCORES, THE FINAL RECOMMENDATION, BEFORE
- 11 THE ICOC MAKES A DECISION. THAT'S MY QUESTION.
- DR. HALL: MY CONCERN WOULD BE THAT I THINK,
- 13 INDEPENDENT OF THE SCIENTIFIC STORE, THAT THIS GROUP
- 14 SHOULD ALMOST REVIEW EVERY ONE FROM A TECHNICAL BASIS
- 15 OF THE CONSTRUCTION ALMOST WITHOUT CONTAMINATION.
- 16 PROBLEM JEFF MENTIONS IS THAT YOU CAN'T WIPE IT OUT OF
- 17 YOUR MIND. AND IF YOU WERE TWO WEEKS AGO IN A THING
- 18 AND YOU SAW THE SAME REVIEW AND YOU KNOW WHAT WAS
- 19 THOUGHT OF IT, THEN YOU CAN'T JUST IGNORE THAT. BUT
- 20 WHETHER WE SHOULD DISCUSS IT AND MAKE IT PUBLIC IS THE
- 21 ISSUE. I JUST WANTED TO BE SURE WE TALKED ABOUT THAT.
- MR. SHEEHY: I THINK THERE'S TWO DIFFERENT
- 23 THINGS GOING ON HERE. ONE IS WE'RE TALKING ABOUT WHAT
- 24 WE NEED TO DO FOR RELATIVELY SMALL GRANTS FOR A
- 25 RELATIVELY LARGE NUMBER OF INSTITUTIONS TO KICK-START

- 1 THIS IN JANUARY.
- 2 I'M JUST GOING BACK TO YOUR THING ON THE
- 3 STRATEGIC PLAN, AND YOU'RE TALKING ABOUT EITHER
- 4 BUILDINGS OR WINGS OR INTERMEDIATE THINGS FOR 5 TO
- 5 10,000 SQUARE FEET THAT START AT 500 TO \$800 A SQUARE
- 6 FOOT. SO WE'RE GOING TO SPEND \$8 MILLION, YOU KNOW,
- 7 MINIMUM UP TO 50, 60, 70, \$80 MILLION. I ALMOST FEEL
- 8 LIKE ED'S WAY OF DOING IT WHERE WE HAVE THEM COME MAKE
- 9 PRESENTATIONS, WHERE WE PUT ALL THE INFORMATION OUT
- 10 THERE BECAUSE WE'RE SPENDING BIG CHUNKS OF MONEY AT
- 11 THIS POINT.
- 12 FOR THESE FIRST ONES, I THINK THIS MORE
- 13 ATTENUATED IS VERY APPROPRIATE BECAUSE WE REALLY JUST
- 14 WANT TO GET THIS DONE, AND WE WANT TO GET PEOPLE
- 15 WORKING. BUT I THINK FOR THE BIG ONES, WE MIGHT
- 16 ACTUALLY TAKE THE LARGER STEP AND PUBLISH THE
- 17 SCIENTIFIC SCORES, MAKE THE SCIENTIFIC SCORES AVAILABLE
- 18 AT THE MEETING, LET THE PEOPLE PRESENT, PUT AS MUCH
- 19 INFORMATION OUT THERE ON THE TABLE SIMPLY BECAUSE WE'RE
- 20 TALKING ABOUT SUCH BIG NUMBERS. AND IT'S CERTAINLY
- 21 GOING TO BE APPARENT TO THE PUBLIC WHEN IT GETS SPENT.
- 22 CHAIRMAN DOMS: I AGREE WITH YOU, BUT RIGHT
- 23 NOW WE'RE FOCUSING ON THE SHARED RESEARCH LAB SPACE.
- 24 AND WE HAVE ANOTHER NINE MONTHS TO WORK THE PROCEDURES
- 25 AND CRITERIA. I THINK WHAT WE'RE TRYING TO DO TODAY IS

- 1 JUST GET THROUGH THE SHARED RESEARCH LAB SPACE AND GET
- 2 THAT OFF THE GROUND AND MOVING.
- 3 MR. KASHIAN: RUSTY, I'M NOT SURE YOU ARE
- 4 ASKING FOR SOME FORMAL REQUEST OF THIS GROUP, BUT I
- 5 WOULD SHARE JUST RESPONSIBILITY. I WOULD SUGGEST WE
- 6 ADOPT THESE AS AN INTERIM WITH THE PROVISO THAT WE
- 7 AMEND THEM AS THE ISSUES BECOME APPARENT.
- 8 DR. HALL: ON THE BASIS -- I JUST WANT TO
- 9 FOCUS IN ON THE THIRD PARAGRAPH, THE LAST SENTENCE.
- 10 THERE'S A STATEMENT THAT THE SCIENTIFIC SCORE WILL BE
- 11 GIVEN. IF I UNDERSTAND THIS DISCUSSION, MAYBE WE
- 12 SHOULD TAKE THAT OUT, JUST END IT IN THAT SENTENCE.
- 13 THE AVERAGE NUMERICAL SCORE WILL REPRESENT THE
- 14 FACILITIES SCORE FOR EACH GRANT -- SORRY -- WHEN ALL
- 15 APPLICATIONS HAVE BEEN SCORED, CIRM WILL PRESENT FOR
- 16 CONSIDERATION THE FACILITIES SCORE, PERIOD.
- 17 MR. SHEEHY: I MIGHT SAY WITH -- I MIGHT PUT
- 18 A LITTLE BIT OF A QUALIFIER, WITH APPROPRIATE TECHNICAL
- 19 INFORMATION THAT STAFF HAS IDENTIFIED WOULD BE USEFUL
- 20 TO THE WORKING GROUP IN MAKING THEIR DECISION.
- DR. WRIGHT: IN REGARD TO THE EQUIPMENT.
- DR. HALL: LET'S JUST PUT WITH APPROPRIATE
- 23 TECHNICAL INFORMATION. WOULD THAT BE ALL RIGHT?
- MR. SHEEHY: THERE WILL BE --
- MS. HYSEN: I HAVE JUST A QUESTION ON THE

- 1 SECOND PARAGRAPH. GIVEN THAT YOU HAVE THE AVAILABILITY
- 2 OF LEGAL COUNSEL AND THAT YOU GOING TO BE OBTAINING A
- 3 SENIOR FACILITIES OFFICER, THIS PART SEEMS TO ME A
- 4 REGURGITATION OF THE ABSTRACT AND CIRCULATION BY CIRM
- 5 STAFF, BUT NO OPINING BY COUNSEL THAT IT MEETS THE
- 6 INTENT OF PROP 71 AND THAT IT MEETS ALL THE LEGAL
- 7 REQUIREMENTS THAT THESE INSTITUTIONS MIGHT HAVE TO
- 8 ADHERE TO. I'M ALWAYS MORE COMFORTABLE WHEN SOMEONE
- 9 SAYS TO ME, YES, THIS APPLICANT MEETS THE BASIC LEGAL
- 10 CRITERIA FOR THE LEGISLATION THAT'S BEEN AUTHORED AND
- 11 ANY RELATED LAW. AND THEN IT WOULD BE HELPFUL, WITH
- 12 YOUR FACILITIES OFFICER THAT YOU'RE THINKING OF
- ACQUIRING FOR THE INSTITUTE, THAT THEY CHIME IN AS WELL
- 14 SO THAT THERE IS THEIR EXPERTISE THAT'S BROUGHT TO
- 15 BEAR.
- I HAVE ISSUES WITH THE ABSTRACT, BUT I THINK
- 17 WE CAN TALK ABOUT THAT IN THE CRITERIA. THOSE WOULD BE
- 18 MY TWO CONCERNS.
- 19 DR. HALL: ACTUALLY I THINK THE INTENT WAS
- 20 JUST TO USE THE ABSTRACT AS IS, RIGHT? THAT IS, LET
- 21 THE APPLICANT SAY WHAT IT IS, THE PROJECT IS, AND THEN
- 22 WE DON'T HAVE TO. IT'S MAKE WORK FOR US TO REWRITE IT
- 23 BECAUSE THAT'S WHAT YOU DO.
- MS. HYSEN: I THINK THE CONCERN I WOULD HAVE
- 25 IS JUST THAT EACH ONE IS A UNIQUE ANIMAL, AND EACH

- 1 ANIMAL COMES IN AND IT'S DIFFERENT FROM THE NEXT AND
- 2 DIFFERENT FROM THE NEXT, AND WE'RE APPLYING STANDARD
- 3 CRITERIA TO UNIQUE ANIMALS, AND IT CAN BE COMPLICATED.
- 4 AND TO ME, IF THE ABSTRACT IS UNIFORM IN SOME REGARD,
- 5 THEN IT WOULD BE MUCH EASIER TO APPLY UNIFORM CRITERIA
- 6 FOR REVIEWING THAT ABSTRACT.
- 7 DR. HALL: ABSTRACT WOULD GO SOMETHING LIKE
- 8 THIS. LET ME JUST MAKE IT UP. ARLENE, YOU CAN CORRECT
- 9 ME OR NOT. UNIVERSITY OF SO-AND-SO AND SO-AND-SO
- 10 PROPOSES TO RENOVATE X SQUARE FEET THAT WILL BE USED BY
- 11 APPROXIMATELY X INVESTIGATORS TO CARRY OUT HUMAN
- 12 EMBRYONIC STEM CELL RESEARCH. IT WILL BE MANAGED BY
- 13 SUCH AND SUCH A COMMITTEE AND WILL BE OPEN TO -- WHO
- 14 WILL ALLOW IT TO BE USED BY SCIENTISTS FROM NEIGHBORING
- 15 INSTITUTIONS, SOMETHING LIKE THAT. WHAT DO YOU THINK?
- DR. CHIU: WE DON'T HAVE A TEMPLATE FOR THEIR
- 17 ABSTRACT, BUT SO FAR FOR THE SEED GRANTS, WE ASK THEM
- 18 TO SUPPLY TWO ABSTRACTS. ONE THAT'S FOR THE SCIENTIFIC
- 19 GROUP OR TO LOOK AT WITH DETAIL AND IDENTIFIERS, BUT WE
- 20 ALSO ASK THEM FOR A LAY ABSTRACT FOR WHAT THEY INTEND
- 21 TO DO AND WITH ALL IDENTIFIERS STRIPPED. AND WE STATE
- THERE ON TOP THAT THIS ABSTRACT WILL BE MADE TO THE
- PUBLIC, SO PLEASE REMOVE ANY INFORMATION, PROPRIETARY
- 24 INFORMATION, THAT YOU DO NOT WANT SHARED. AND SO IT
- 25 WOULD BE UP THEM TO DESCRIBE TO THE BEST OF THEIR

- 1 ABILITY BUT WITH NO IDENTIFIERS WHAT IT IS THAT THEY
- 2 INTEND TO DO.
- 3 MR. KLEIN: DEBORAH'S POINT IS, THERE'S A
- 4 COUPLE OF POINTS SHE MADE. ONE IS WE SHOULD HAVE A
- 5 CLEARANCE, A LEGAL COUNSEL CLEARANCE, THAT COMES TO US
- 6 AS PART OF THE WRITE-UP.
- 7 AND THE OTHER POINT THAT I HEARD, DEBORAH,
- 8 WE'RE GOING TO GET, BESIDES THE ABSTRACT, A FULL
- 9 APPLICATION WITH ALL THE REST OF THIS INFORMATION TO
- 10 EVALUATE THE CRITERIA. I THINK THERE WAS A LITTLE
- 11 CONFUSION THERE.
- DR. HALL: WHAT IS THE LEGAL CLEARANCE? I'M
- 13 SORRY. WILL YOU SAY THAT AGAIN?
- MS. HYSEN: WELL, IT'S OUR JOB TO ENSURE THAT
- 15 THE PUBLIC IS WELL SERVED BY THESE INVESTMENTS BECAUSE
- 16 THEY ARE ASSETS OF THE PUBLIC. AND SO MY CONCERN IS
- 17 THAT WE AREN'T THE LEGAL EXPERTS, AND IT'S OUR
- 18 OBLIGATION TO MAKE SURE THAT PROP 71 IS FOLLOWED AND
- 19 THAT ANY LAWS ARE FOLLOWED. AND I THINK THAT OUR
- 20 REVIEW WON'T COVER THAT. AND SO IT WOULD BE IMPORTANT,
- 21 I THINK, THAT SOME REVIEW COVERS THAT, WHETHER IT'S AT
- 22 A HIGHER LEVEL OR AT THIS LEVEL, BECAUSE IF WE'RE
- 23 SAYING THIS IS AN APPROPRIATE FACILITY CONTRACT, IT MAY
- 24 NOT MEAN THAT IT'S AN APPROPRIATE FACILITY CONTRACT
- 25 THAT ADHERES TO LAW OR THAT MEETS THE OTHER CRITERIA.

- 1 MR. HARRISON: I THINK THAT REVIEW OCCURS IN
- 2 CONNECTION WITH THE RFA ITSELF THAT ENUMERATES THE
- 3 REQUIREMENTS UNDER PROPOSITION 71 THAT EVERY APPLICANT
- 4 HAS TO MEET. AND THEN WHEN STAFF REVIEWS THE
- 5 APPLICATION, FOR EXAMPLE, IF A FOR-PROFIT INSTITUTION
- 6 APPLIED FOR A GRANT, THAT WOULD BE EVIDENT FROM THE
- 7 APPLICATION, AND THE APPLICANT WOULDN'T BE ELIGIBLE FOR
- 8 AN AWARD.
- 9 CHAIRMAN DOMS: BUT THAT'S THE STAFF'S
- 10 RESPONSIBILITY.
- DR. HALL: WE CAN EASILY DO THAT. THE OTHER
- 12 PART OF IT IS THAT, I THINK, WE WILL HAVE A GRANTS
- 13 ADMINISTRATION POLICY FOR FACILITIES, WHICH BASICALLY
- 14 IS OUR -- THIS IS WHAT WE EXPECT FROM YOU. THESE ARE
- 15 OUR REQUIREMENTS. AND IN ORDER TO GET THIS MONEY, YOU
- 16 HAVE TO SIGN THIS STATEMENT. AND WE HAVE DONE THAT FOR
- 17 RESEARCH GRANTS. ONE OF OUR TASKS IN THE COMING
- 18 MONTHS, WE'RE GOING TO DO SOMETHING SIMILAR FOR THE
- 19 FACILITIES GRANTS, BUT I THINK THAT ALSO WOULD -- WE
- 20 WOULD STATE IN THERE THAT WHATEVER OBLIGATION THERE
- 21 MIGHT BE. SO IN A SENSE WE HAVE IT COVERED BETWEEN THE
- 22 RFA AND THE GRANTS ADMINISTRATION POLICY.
- MR. SERRANO-SEWELL: I JUST WANT TO CLOSE THE
- 24 LOOP ON THIS LEGAL QUESTION. AND THAT IS, THE
- 25 APPLICANTS WILL HAVE THE HERE'S PROP 71, YOU HAVE TO

- 1 COMPLY WITH X, Y, AND Z, BLAH, BLAH, BLAH. STAFF WILL
- 2 LOOK AT IT. IF THEY CONTINUE TO REVIEW THAT
- 3 APPLICATION OR IF IT CONTINUES TO GO THROUGH THE
- 4 PROCESS, THERE'S AN IMPLICIT UNDERSTANDING THAT, IN
- 5 FACT, THE PERSON WHO'S APPLYING FOR THE GRANT
- 6 UNDERSTANDS THAT. AND STAFF IS SORT OF SAYING, WELL, I
- 7 THINK THEY UNDERSTAND IT TOO, AND I'M GOING TO CONTINUE
- 8 WITH THIS REVIEW PROCESS. STAFF ISN'T ALWAYS RIGHT.
- 9 SOMETIMES THEY MISS SOMETHING, AND I DON'T THINK THEY
- 10 WILL IN THIS INSTANCE, BUT IT MAY BE OF SOME BENEFIT TO
- 11 HAVE LEGAL LOOK AT IT AS WELL AND, QUOTE, APPROVE IT,
- 12 NOT AS TO FORM, BUT SAY, YEAH, YOU KNOW, THEY
- 13 UNDERSTAND IT. IT'S FINE. THEY CAN GO FORWARD WITH
- 14 REVIEW.
- 15 WE DO THAT IN THE CITY ATTORNEY'S OFFICE AT
- 16 THE FRONT END, THE MIDDLE, AND AT THE END AS WELL. AND
- 17 WE DON'T -- AS THE CITY ATTORNEY'S OFFICE, WE DON'T
- 18 MAKE POLICY DECISIONS BECAUSE THAT'S NOT OUR JOB.
- 19 YOU'RE RIGHT. WE MAKE THE POLICY DECISIONS ON THIS
- 20 COMMITTEE, THE ICOC, THE STAFF DOES. BUT THERE IS A
- 21 ROLE FOR LEGAL SO THE POLICYMAKERS ARE COVERED AND THAT
- 22 THEY HAVE THE CONFIDENCE THAT WHAT THEY'RE REVIEWING IS
- 23 IN COMPLIANCE.
- 24 CHAIRMAN DOMS: WHERE DO YOU SUGGEST THAT BE
- 25 IN THIS PROCESS?

- 1 MR. SERRANO-SEWELL: YOU KNOW, I'M NOT --
- DR. HALL: IF WE HAVE A QUESTION, THE FIRST
- 3 THING WE DO CALL IS JAMES.
- 4 MR. SERRANO-SEWELL: I UNDERSTAND THAT. WHAT
- 5 I'M SAYING IS IN THE ROUTING PROCESS, ZACH, IT'S ROUTED
- 6 THROUGH LEGAL, LIKE HOWEVER YOU WANT. IF YOU THINK
- 7 IT'S APPROPRIATE FOR THIS APPLICATION, ZACH, FINE. YOU
- 8 WANT TO NOODLE ON IT A LITTLE?
- 9 DR. HALL: CAN WE CONSULT WITH JAMES AND COME
- 10 UP WITH A --
- 11 CHAIRMAN DOMS: WE'VE GOT A LOT TO COVER, SO
- 12 I WANT TO MOVE ON. MR. SIMPSON HAS BEEN VERY PATIENT
- 13 IN THIS.
- 14 MR. SIMPSON: ON THE SCIENTIFIC SCORING
- 15 THING, I JUST WANT PUT ON THE TABLE AGAIN, IF SOME OF
- 16 THE MEMBERS ARE PRIVY TO THE SCORE, IT SEEMS TO ME THEY
- 17 ALL HAVE TO BE AT THE TIME OF THE CONSIDERATION. I
- 18 DON'T SEE HOW YOU CAN NOT DO THAT. AND YOU'RE SET UP
- 19 IN A WAY THAT SOME OF THEM APPARENTLY WILL KNOW THE
- 20 SCIENTIFIC SCORE. I THINK --
- DR. HALL: I WOULD THINK IT SHOULD BE
- 22 IRRELEVANT FOR THE COMMITTEE.
- 23 MS. FEIT: I DON'T KNOW. I DON'T KNOW THAT
- 24 IT IS IRRELEVANT. I THINK JEFF'S MAKING A POINT. IF
- 25 HE KNOWS AND IS AWARE THAT THEY RECEIVE AN APPLICATION

- 1 THAT NOBODY THOUGHT WARRANTED AFFECTION FROM THE GROUP,
- THEN I DON'T WANT TO GIVE THEM \$5 MILLION TO BUILD A
- 3 FACILITY.
- 4 CHAIRMAN DOMS: YOU CAN SAY I DON'T WANT TO
- 5 WASTE MY TIME.
- DR. WRIGHT: I THINK THE ONLY WAY TO MAKE IT
- 7 IRRELEVANT IS TO MAKE SURE IT'S UNIFORMLY SHARED. THEN
- 8 IT LEVELS THE FIELD.
- 9 MS. FEIT: I AGREE.
- 10 DR. WRIGHT: I DON'T MEAN PUBLIC NECESSARILY.
- 11 MS. FEIT: NO. WITHIN THIS GROUP.
- DR. HALL: GO INTO CONFIDENTIAL TO SHARE
- 13 THOSE SCORES.
- 14 DR. WRIGHT: THAT'S WHAT I MEAN. I THINK
- 15 EVERYONE WHO'S MAKING A SCORE HAS TO KNOW --
- 16 MR. SIMPSON: YOU'RE NOT TALKING ABOUT
- 17 INDIVIDUAL INVESTIGATORS. YOU'RE TALKING ABOUT
- 18 INSTITUTIONS HERE. I JUST -- WELL, I DON'T AGREE
- 19 WITH -- I UNDERSTAND THE ARGUMENT WHEN IT COMES TO
- 20 INDIVIDUAL INVESTIGATORS, BUT THAT'S NOT WHAT THIS IS
- 21 ABOUT. IT SEEMS TO ME THAT THE INSTITUTIONAL --
- 22 DR. HALL: IT'S A LITTLE COMPLICATED. WE HAD
- 23 A VERY HARSH JUDGMENT IN THE TRAINING GRANTS OF
- 24 INSTITUTION. I THINK WE WOULD NOT HAVE BEEN
- 25 COMFORTABLE HAVING IT MADE PUBLIC.

- 1 CHAIRMAN DOMS: HOW WOULD YOU SUGGEST WE DEAL
- 2 WITH THIS ISSUE?
- 3 MR. SIMPSON: WELL, I WOULD SUGGEST IT ALL BE
- 4 DONE IN PUBLIC, EVERYTHING. THE INSTANT CASE OF THE
- 5 SCORES, I WOULD JUST MAKE THEM AVAILABLE AS PART OF THE
- 6 PUBLIC MEETING. I THINK ALL WOULD BENEFIT FROM THAT.
- 7 MR. SHEEHY: I DO THINK, BECAUSE THIS WAS ONE
- 8 OF THE PROBLEMS WITH THE TRAINING GRANTS, ONE OF THE
- 9 THINGS WE'RE GOING TO HAVE TO DEAL WITH, AND I WAS
- 10 ACTUALLY GOING TO WAIT UNTIL WE TALKED ABOUT CRITERIA,
- 11 IS TO WHAT EXTENT ARE WE REWARDING THOSE WHO HAVE
- 12 ESTABLISHED PROGRAMS AND TO WHAT EXTENT ARE WE
- 13 ESTABLISHING NEW CAPACITY? THAT'S A BIG -- WHEN YOU'RE
- 14 IN THE SCIENTIFIC REVIEW PROCESS, MY SENSE IS THEY'RE
- 15 NOT GOING TO BE VERY -- THEY'RE NOT GOING TO
- 16 NECESSARILY BE THAT SUPPORTIVE OF THE NEED TO DEVELOP
- 17 CAPACITY. FROM A SCIENTIFIC POINT OF VIEW, WHY WOULD
- 18 YOU GIVE SOMEONE -- WE HEARD FROM THE BUCK INSTITUTE.
- 19 THEY HAVE ONE STEM CELL SCIENTIST, ONE. YET ALL OF US
- 20 CAN SEE THAT THEY'RE TARGETING SEVERAL DISEASES THAT
- 21 ARE VERY IMPORTANT AND CENTRAL TO PROPOSITION 71'S
- 22 PASSAGE.
- NOW, YOU HAVE TO ASK YOURSELF AT SOME POINT
- 24 IN THIS PROCESS, WHERE DO THEY GET THE CHANCE TO BUILD
- 25 CAPACITY? IT'S A BIG ISSUE FOR US. BUT THE SCIENTIFIC

- 1 SCORE IS WAY OUT HERE. I DON'T KNOW. I'M JUST RAISING
- 2 THAT --
- 3 DR. HALL: IT'S A COMPLICATED ISSUE TO SORT
- 4 OUT. AND ONE OF THE THINGS IS WHERE DO ALL THESE
- 5 THINGS CONVERGE? IDEALLY, PROBABLY, WE WOULD HAVE, AND
- 6 WE MIGHT EVEN CONSIDER THIS FOR THE LARGE-SCALE
- 7 FACILITIES GRANT, WE MIGHT HAVE A JOINT MEETING OF THE
- 8 GRANTS GROUP AND THE FACILITIES GROUP TO CONSIDER THESE
- 9 LARGE-SCALE GRANTS WHERE ALL THE ISSUES ARE DEALT WITH
- 10 TOGETHER, AND THEN THERE IS A SINGLE RECOMMENDATION, I
- 11 DON'T KNOW IF THAT'S CONSISTENT WITH PROP 71, IN WHICH
- 12 THERE'S THEN A RECOMMENDATION TO THE ICOC, WHO MAKES
- 13 THE FINAL DECISION. IN THIS CASE WE CAN'T DO THAT. WE
- 14 CAN'T ASK OUR GRANTS PEOPLE TO COME BACK A THIRD TIME
- 15 IN TWO MONTHS.
- 16 CHAIRMAN DOMS: I GOT TO CUT THIS. WE GOT TO
- 17 MOVE ON. WHAT WE'RE GOING TO DO, IN TERMS OF THE
- 18 SCIENTIFIC GRANTS REVIEW, WE'LL ALL BE AWARE OF WHAT
- 19 THOSE SCORES ARE. I THINK WE HAVE TO DO IT. WE'RE
- 20 STILL IN THE INTERIM PROCESS. WE HAVE TO DO IT AND SEE
- 21 HOW IT WORKS AND REVIEW IT BECAUSE WE COULD SPEND THE
- 22 REST OF THE AFTERNOON TALKING ABOUT THE PROS AND CONS
- OF NOT DOING AND DOING IT. I THINK WE NEED -- IF THE
- 24 COMMITTEE IS AGREEABLE WITH THAT APPROACH, LET'S GIVE
- 25 IT A SHOT, SEE HOW IT WORKS, AND --

- DR. WRIGHT: RUSTY, THAT'S TO BE SHARED IN
- 2 EXECUTIVE SESSION, THE SCIENTIFIC SCORES?
- 3 CHAIRMAN DOMS: NO. IT'S PUBLIC.
- 4 MR. SERRANO-SEWELL: I'M OKAY WITH THAT.
- 5 CHAIRMAN DOMS: ARLENE, ARE YOU -- YOU HAVE A
- 6 VERY PUZZLED LOOK THERE.
- 7 DR. CHIU: I JUST AM FEELING -- SPEAKING FOR
- 8 PARTICULARLY AN APPLICANT WHO DID PARTICULARLY BADLY,
- 9 TO HAVE A SCORE THAT'S VERY, VERY LOW PUT OUT IN PUBLIC
- 10 BEFORE THEY EVEN GET IT THEMSELVES TO BE EVEN PREPARED.
- 11 FOR IT BECAUSE THEY WOULD NOT HAVE RECEIVED ANY
- 12 NOTIFICATION FROM THE INSTITUTE IN PRIVATE. THAT'S MY
- 13 ONLY CONCERN, THAT IT WOULD BE A SHOCK. IT'S JUST A
- 14 PERSONAL THING OF SOME INSTITUTION.
- MR. KLEIN: WE CAN'T DO THAT.
- 16 DR. CHIU: IT'S A VERY PAINFUL EXPERIENCE.
- 17 MR. KLEIN: CAN WE DO IT IN EXECUTIVE
- 18 SESSION?
- 19 (OVERLAPPING DISCUSSION.)
- THE REPORTER: WE HAVE TO DO THIS ONE AT A
- 21 TIME.
- 22 CHAIRMAN DOMS: ARE YOU COMFORTABLE TAKING
- 23 ZACH'S COMMENT? PEOPLE ON THE GRANTS REVIEW COMMITTEE
- 24 WILL KNOW THE SCORE. THEY WILL KEEP IT TO THEMSELVES
- 25 AND NOT SHARE IT WITH MEMBERS OF THE REAL ESTATE

- 1 COMMITTEE UNLESS WE GO INTO EXECUTIVE SESSION. I DON'T
- 2 KNOW WHETHER WE CAN DO THAT.
- 3 DR. HALL: AND THEN WE CAN RECONSIDER FOR THE
- 4 BIG ONES.
- 5 CHAIRMAN DOMS: THIS IS JUST FOR THESE
- 6 SMALLER ONES. CAN WE GO INTO EXECUTIVE SESSION AND
- 7 SHARE THESE SCORES?
- 8 MR. HARRISON: UNDER THE CURRENT MEETING
- 9 POLICIES APPROVED BY THE ICOC FOR THIS WORKING GROUP,
- 10 YOU CAN GO INTO CLOSED SESSION TO RECEIVE CONFIDENTIAL
- 11 INFORMATION FROM THE GRANTS REVIEW WORKING GROUP.
- 12 CHAIRMAN DOMS: LET'S HANDLE IT THAT WAY.
- 13 END OF DISCUSSION. WE'LL GO INTO EXECUTIVE SESSION.
- 14 IS EVERYBODY ON THE COMMITTEE --
- MR. KLEIN: THAT'S A GOOD SOLUTION.
- 16 CHAIRMAN DOMS: THANK YOU. LET'S GO ON.
- 17 CRITERIA. YES, SIR.
- 18 MR. JENSON: A QUESTION. PERHAPS THIS HAS
- 19 BEEN DEALT. I'M DAVE JENSON WITH THE CALIFORNIA STEM
- 20 CELL REPORT. IT'S SORT OF A PUBLIC ACCESS QUESTION IN
- 21 THE PROCESS HERE. AND PERHAPS IT'S BEEN DEALT
- 22 ELSEWHERE IN THE BYLAWS OF THIS AGENCY. WHAT ABOUT THE
- 23 POSSIBILITY THAT A GRANT APPLICANT WILL CONTACT A
- 24 MEMBER OF THIS COMMITTEE PRIVATELY OUTSIDE OF A
- 25 MEETING; IN OTHER WORDS, JUST BASICALLY LOBBYING? IS

- 1 THERE ANY PROVISION FOR THAT? IS IT PERMITTED? IS IT
- 2 FORBIDDEN?
- 3 MR. HARRISON: IT'S NOT CURRENTLY ADDRESSED
- 4 IN THE BYLAWS. IT'S A POLICY DECISION THAT IS UP TO
- 5 THIS COMMITTEE TO MAKE.
- 6 MR. KLEIN: I'D POINT OUT THAT MEMBERS OF
- 7 THIS BOARD ARE UP AND DOWN THIS STATE CONSTANTLY, NOT
- 8 TALKING TO -- NOT TALKING TO THEM ABOUT APPLICATIONS,
- 9 WHICH PEOPLE DON'T DO, BUT JUST LOOKING AT RESEARCH AT
- 10 DIFFERENT FACILITIES, ATTENDING CONFERENCES, SO IT
- 11 ISN'T A SITUATION WHERE IT'S EASY TO SAY DON'T GO TO
- 12 ANY INSTITUTIONS IN THE STATE WHO MIGHT BE MAKING AN
- 13 APPLICATION BECAUSE ALL THE RESEARCH IS GOING ON, ALL
- 14 THE SYMPOSIA ARE GOING ON. BUT MAYBE YOU'RE ASKING
- 15 ANOTHER QUESTION, WHICH IS -- I DON'T KNOW OF ANYONE
- 16 WHO WOULD TALK TO ANY APPLICANT ABOUT AN APPLICATION.
- 17 DR. HALL: ONCE THE APPLICATION IS MADE, THEN
- 18 IT SHOULD NOT BE DISCUSSED. I ACTUALLY THINK THAT'S AN
- 19 APPROPRIATE THING THAT WE COULD PUT IN THE BYLAWS OR
- 20 SOMEPLACE. I THINK THAT ACTUALLY IS A VERY GOOD POINT.
- 21 EVEN THOUGH I AGREE WITH BOB, I THINK IT'S UNDERSTOOD
- 22 BY EVERYBODY, I THINK AN EXPLICIT STATEMENT TO THAT
- 23 EFFECT WOULD BE VERY IMPORTANT.
- MS. FEIT: CAN WE JUST SAY THAT ALL QUESTIONS
- 25 REGARDING APPLICATIONS ARE REFERRED TO THE CHAIR OR THE

- 1 PRESIDENT OF CIRM?
- DR. HALL: WELL, THERE ARE TWO THINGS ABOUT
- 3 QUESTIONS IN GENERAL. MY POLICY IS IF IT'S A MATTER OF
- 4 INFORMATION, I'LL DISCUSS IT. IF PEOPLE WANT TO TALK
- 5 ABOUT WHY THEIR GRANT DIDN'T GET FUNDED OR SOMETHING
- 6 LIKE THAT, I WON'T DO IT.
- 7 MS. FEIT: I'M JUST SAYING AS A MATTER THAT
- 8 EVERYTHING -- THE STATEMENT COULD BE THAT EVERYTHING IS
- 9 REFERRED TO YOU. YOU CAN SAY, NO, I WON'T DISCUSS IT.
- 10 I'M JUST SAYING YOU WERE LOOKING FOR A STATEMENT, ZACH.
- DR. HALL: HOWEVER YOU WANT TO HANDLE IT. SO
- 12 OUR JOB IS TO GIVE INFORMATION; THAT IS, PEOPLE CALL UP
- 13 AND SAY, "WELL, WHAT DID YOU MEAN BY THIS IN THE RFA?
- 14 IS IT THIS OR THIS?" AND WE GIVE INFORMATION. BUT IF
- 15 THEY SAY, "HERE'S THE WORK I'M TRYING TO DO AND I WANT
- 16 YOU TO UNDERSTAND HOW IMPORTANT IT IS," FORGET IT.
- 17 MS. FEIT: I CAN SEE A REPORTER CALLING
- 18 SOMEBODY ON THIS COMMITTEE. IF AN INSTITUTION SAID WE
- 19 ARE ABOUT TO BREAK GROUND ON A \$50 MILLION BUILDING IN
- OUR COMMUNITY, AND IT'S GOING TO HOUSE STEM CELL
- 21 RESEARCH, AND WE'RE EXPECTING A GRANT. THEN THEY'RE
- 22 GOING TO BE CALLING ALL OF US TO FIND IF THEY'VE
- 23 APPLIED, SO I CAN SEE THAT HAPPENING. I WOULD NEVER
- 24 RESPOND.
- 25 CHAIRMAN DOMS: I THINK WE SHOULD ADDRESS ALL

- 1 COMMUNICATION, ALL INQUIRIES TO ZACH AND STAFF.
- 2 MR. KLEIN: I DON'T THINK THAT WORKS AT ALL.
- 3 ONCE AN APPLICATION IS MADE, THE ONLY THING THEY SHOULD
- 4 DO IS GO TO STAFF.
- 5 CHAIRMAN DOMS: I WAS TALKING PREAPPLICATION.
- 6 MR. KLEIN: WELL, PREAPPLICATION, YOU'RE
- 7 WALKING AROUND THE STATE TODAY AND PEOPLE SAY, YOU
- 8 KNOW, YOU SHOULD BE AWARE OF THIS, OR ARE YOU GOING TO
- 9 CONSIDER THIS? AND THEN WE BRING IT BACK AND WE MAY
- 10 DISCUSS IT IN EXECUTIVE SESSION -- THE EXECUTIVE
- 11 MEETING. I MAY GO TO ZACH, OR I COULD CALL DAVID AND
- 12 SAY, "ARE YOU GOING TO HAVE THIS ON THE AGENDA THE NEXT
- 13 FACILITIES MEETING? THIS IS A LEGITIMATE QUESTION."
- 14 THE PURPOSE OF HAVING A COMMITTEE HERE IS
- 15 THAT WE ARE ABLE TO GATHER INFORMATION GENERALLY; BUT
- 16 ONCE THERE'S AN APPLICATION IN, YOU CAN'T DISCUSS
- 17 ANYTHING WITH THEM. ZACH VERY APPROPRIATELY STATED
- 18 THERE HAS TO BE A BRIGHT LINE CREATED HERE.
- 19 CHAIRMAN DOMS: THEN WHEN AN APPLICATION HAS
- 20 BEEN SUBMITTED AND THERE ARE QUESTIONS --
- MR. KLEIN: HAVE TO GO TO STAFF.
- 22 MR. JENSON: I WAS PRIMARILY THINKING ABOUT
- 23 IN TERMS OF WHAT YOU MIGHT DO IN TERMS OF REGULATION OF
- 24 THE GRANT APPLICANTS. YOU CAN FORBID A GRANT APPLICANT
- 25 FROM CONTACTING MEMBERS OF THIS COMMITTEE OR AN

- 1 OVERSIGHT COMMITTEE OUTSIDE OF THE NORMAL CHAIN.
- MR. SERRANO-SEWELL: I DON'T KNOW WHAT'S
- 3 UNCLEAR ABOUT WHAT BOB AND ZACH SAID.
- 4 DR. HALL: I THINK WE SHOULD STATE HERE THAT
- 5 MEMBERS OF THE COMMITTEE WOULD NOT DISCUSS AN
- 6 APPLICATION WITH ANYBODY OUTSIDE IT. I THINK THAT
- 7 THAT'S A REALLY MINIMUM THING. TO WHAT EXTENT YOU CAN
- 8 STOP OTHER PEOPLE --
- 9 MR. JENSON: IF YOU HAVE A GRANT APPLICANT
- 10 THAT'S MAKING AN APPLICATION FOR A GRANT THAT VIOLATES
- 11 THE TERMS OF THE PROCESS.
- 12 MR. KASHIAN: I DON'T THINK YOU CAN LEGISLATE
- 13 SOMEBODY CALLING SOMEONE ELSE. HOWEVER, IF THERE'S AN
- 14 APPLICATION IN PROCESS AND SOMEONE CALLS ME, I'M GOING
- 15 TO SAY I'M FORBIDDEN BY ETHICS TO DO THIS. PLEASE CALL
- 16 ZACH HALL.
- 17 CHAIRMAN DOMS: GOOD. LET'S MOVE ON.
- 18 CRITERIA.
- MR. KLEIN: ON THE CRITERIA, ARE ANY
- 20 SUGGESTIONS IN ORDER?
- 21 CHAIRMAN DOMS: ANY AND ALL SUGGESTIONS ARE
- 22 IN ORDER.
- 23 MS. HYSEN: I HAVE A FEW THOUGHTS ON THIS. I
- 24 THINK THE SHARED LAB FACILITIES COULD BE THE MOST
- 25 COMPLICATED BECAUSE YOU'RE BRINGING MULTIPLE BODIES

- 1 POTENTIALLY WITH DIFFERENT PRACTICES, REGULATIONS,
- 2 PROCEDURES, EVEN LAW THAT MIGHT APPLY TO THEM.
- 3 IN THE INSTANCE THAT WAS MENTIONED BY THE
- 4 BUCK INSTITUTE GENTLEMAN, WHERE THEY HAVE A CONSORTIUM
- 5 OF A UC AND MULTIPLE PRIVATE INSTITUTIONS, I WOULD BE
- 6 CONCERNED WHEN THEY SUBMIT THIS PROPOSAL, WHEN YOU SAY
- 7 THAT INSTITUTIONAL COMMITMENT AND HOW FEASIBLE IS IT,
- 8 ETC., THIS MAY BE THE ONE AND ONLY TIME A BODY OF THAT
- 9 NATURE COMES TOGETHER FOR A SINGLE PURPOSE, THAT WOULD
- 10 NORMALLY BE VERY FAMILIAR WITH THEIR OWN PROCEDURES AND
- 11 PRACTICES, BUT SUDDENLY HAVE TO COME TOGETHER AND AGREE
- 12 ON A COMMON METHOD OF CONSTRUCTION, ALL KINDS OF
- 13 PROCEDURES GOVERNING THAT CONSTRUCTION, WHO'S DIRECTOR
- 14 OF CONSTRUCTION. LET'S SAY IT'S UCSF AND ANOTHER --
- 15 DR. HALL: POINT OF INFORMATION. IT'S NOT
- 16 SHARED BETWEEN INSTITUTIONS. AN INSTITUTION RUNS THE
- 17 FACILITY.
- 18 MS. HYSEN: WOULD IT BE THE CIRM INSTITUTE
- 19 THAT WOULD BE THE OWNER OF THAT?
- 20 DR. HALL: UC SAN DIEGO MIGHT HAVE A FACILITY
- 21 LIKE THIS. IT'S SHARED AMONG ITS DIFFERENT
- 22 INVESTIGATORS.
- 23 MS. HYSEN: SO IT IS NOT SOMETHING WHERE WE
- 24 MENTIONED --
- 25 DR. HALL: SOMEBODY FROM THE SALK SAYS WE

- 1 DON'T HAVE A SUCH A FACILITY. WE WOULD LIKE TO COME
- OVER AND USE IT. AND THEY SAY HERE ARE THE RULES FOR
- 3 THE FACILITY. IF YOU'RE GOING TO USE OUR FACILITY, YOU
- 4 HAVE TO FOLLOW THESE RULES.
- 5 MS. HYSEN: SO THE INSTITUTE THAT'S THE
- 6 SUBMITTING APPLICANT, THEY HAVE THE JURISDICTION.
- 7 DR. HALL: THEY WOULD RUN IT, THEIR RULES.
- 8 THEY WILL TELL US IF THERE ARE ANY RESTRICTIONS LIKE
- 9 THAT. AND WE'D SAY THAT'S UNREASONABLE. YOU'VE MADE
- 10 RESTRICTIONS SO THAT NOBODY WOULD EVER COME.
- 11 CHAIRMAN DOMS: WHAT KIND OF SQUARE FOOTAGE
- 12 ARE WE TALKING ABOUT HERE, ZACH?
- DR. HALL: ONE TO 2,000 SQUARE FEET,
- 14 SOMETHING ON THAT LINE. SMALL, MAYBE TWICE, TWO TO
- 15 THREE TIMES THE SIZE OF THIS ROOM.
- 16 CHAIRMAN DOMS: NO. IF IT WAS A THOUSAND
- 17 SQUARE FEET, THAT WOULD BE A THOUSAND DOLLARS A SQUARE
- 18 FOOT; IS THAT RIGHT? I'M ALWAYS BAD ON THE ZEROS.
- MR. KLEIN: INCLUDING EQUIPMENT.
- 20 CHAIRMAN DOMS: NO. NO. EXCLUDING
- 21 EQUIPMENT.
- DR. HALL: NO. FOR RENOVATION, UP TO --
- 23 CHAIRMAN DOMS: TWO THOUSAND FEET IS \$500 A
- 24 SQUARE FOOT FOR RENOVATION. AND THEN WE'RE STARTING
- 25 TO -- I WOULD THINK WE CAN GET A LITTLE BIT MORE BANG

- 1 FOR OUR BUCK THAN 2,000 FEET OF RESEARCH SPACE.
- MR. KLEIN: WHAT RUSTY IS SAYING IS THAT ON A
- 3 RENOVATION, WE MAY GET 4,000 FEET.
- 4 DR. HALL: IT COULD BE. AS WE POINTED OUT
- 5 THE OTHER DAY, RENOVATION IS OFTEN MORE EXPENSIVE THAN
- 6 CONSTRUCTING.
- 7 CHAIRMAN DOMS: DEPENDS ON WHAT YOU'RE
- 8 STARTING WITH AND WHAT KIND OF INFRASTRUCTURE YOU HAVE
- 9 THERE. BUT WE'RE TALKING ABOUT MAYBE 3,000 FEET, 2 TO
- 10 4,000 FEET. SO YOU MIGHT HAVE PEOPLE COMING FROM OTHER
- 11 AREAS, BUT WE'RE NOT TALKING ABOUT A HUGE AMOUNT OF
- 12 RESEARCH SPACE.
- 13 MS. HYSEN: AND THIS ISN'T A SHARED FACILITY
- 14 WHERE STEM CELL IS BEING CONDUCTED SIDE BY SIDE WITH
- 15 OTHER RESEARCH ACTIVITIES WHERE WE HAVE TO WORRY
- 16 ABOUT --
- 17 DR. HALL: SPECIFICALLY DEDICATED TO HUMAN
- 18 EMBRYONIC STEM CELL RESEARCH.
- 19 MS. HYSEN: AND THEN WHEN YOU SAY RENOVATION
- 20 COST, WHEN YOU SAY RENOVATION COST, LET'S SAY THERE'S
- 21 SOMEONE THAT HAS A FACILITY THAT COULD BE LEASED FOR
- 22 THESE PURPOSES AND NOT NECESSARILY CONSTRUCTED OR
- 23 RENOVATED. WOULD RENOVATION COSTS BY DEFINITION MEAN
- 24 THE LEASING OF AND RENOVATION OF?
- DR. HALL: THE LEASE COST CAN BE INCLUDED, AS

- 1 I RECALL. ISN'T THAT WHAT WE PUT?
- DR. CHIU: WE WERE DEBATING ABOUT THAT. IN
- 3 THE FACILITIES SECTION OF REGULAR GRANTS, THEY COULD
- 4 CHOOSE TO PUT IN LEASE COST IN PLACE OF FACILITY RATES.
- 5 BUT IN THIS ONE, IT'S, AGAIN, SOMETHING WE HAVE TO
- 6 CONSIDER.
- 7 CHAIRMAN DOMS: I'M ASSUMING THAT WHEN WE
- 8 TALK ABOUT RENOVATION, WE'RE NOT TALKING ABOUT NEW
- 9 CONSTRUCTION.
- 10 DR. HALL: THE ANSWER IS WE DISCUSSED IT, AND
- 11 WE'RE NOT SURE. SO WE WILL LET YOU KNOW, BUT THAT IS
- 12 AN ISSUE THAT THE UNIVERSITY MAY WANT TO LEASE SOME
- 13 SPACE AND RENOVATE IT.
- 14 CHAIRMAN DOMS: IS THAT RIGHT, BOB?
- MS. HYSEN: IN TERMS OF THE TIME FRAMES THAT
- 16 THEY'RE LOOKING AT, THAT MAY BE FEASIBLE.
- 17 DR. HALL: I WOULD SAY THEY WOULD PUT THAT
- 18 COST IN, BUT IT'S CAPPED AT A MILLION DOLLARS.
- 19 MR. KLEIN: THEY SHOULD BE ABLE TO PUT IT IN
- 20 BECAUSE FROM A TIMEFRAME AND DELIVERY STANDPOINT, IT
- 21 GETS THEM OPERATIONAL FASTER AS AN OPTION.
- MR. KASHIAN: WELL, WITH THE LEAST AMOUNT OF
- 23 CAPITAL, WHICH IS WHAT JEFF IS TRYING TO ACCOMPLISH.
- MR. KLEIN: IF THEY THINK THAT THAT'S THEIR
- 25 EMPHASIS. WE HAVE AN EXPERT IN THE BACK HERE.

- 1 MS. HOFFMAN: LORI HOFFMAN, UNIVERSITY OF
- 2 CALIFORNIA, OFFICE OF THE PRESIDENT. I AM SURE THERE
- 3 WOULD BE MANY CAMPUSES OR NONPROFITS THAT WOULD LIKE TO
- 4 USE OR GO OUT AND LEASE SPACE, BUT I WOULD THINK FOR
- 5 THESE PARTICULAR PURPOSES, EITHER YOU WOULD BE LOOKING
- 6 FOR COMMITMENTS BY THE GRANTEE FOR THE LONG TERM, AT
- 7 LEAST TEN YEARS. AND SO I'M ASSUMING YOU DON'T PAY FOR
- 8 THE FIRST TWO YEARS, THREE YEARS. AND THEN IF YOU WERE
- 9 GOING TO GO IN AND DO A LOT OF THOSE TI'S, YOU'D
- 10 CERTAINLY WANT AT LEAST A TEN-YEAR PAYBACK.
- 11 MR. KLEIN: LET ME ASK THIS QUESTION. IN
- 12 TERMS OF THE PROPOSALS, I THINK THIS IS A VERY GOOD
- 13 POLICY DIRECTION. WHAT ABOUT A COMBINED APPROACH WHERE
- 14 THEY INITIALLY, BECAUSE IT'S GOING TO TAKE THEM NINE
- 15 MONTHS TO GET IT REHABBED, THEY HAVE SOME SPACE THEY
- 16 CAN DO A SHORT-TERM LEASE ON, PUT SOME EQUIPMENT IN,
- 17 GET OPERATIONAL, AND THEN MOVE IT. WOULD THAT BE
- 18 REASONABLE TO ALLOW THEM TO COME IN WITH THAT KIND OF A
- 19 MIXED PROPOSAL?
- 20 MS. HOFFMAN: I'M NOT TRYING TO DICTATE
- 21 POLICY; BUT, AGAIN, AS LONG AS THE FUNDS THAT THEY WERE
- 22 USING, THE CIRM FUNDS THAT THEY WERE USING, THE CASE
- WORK OR WHATEVER EQUIPMENT IS MOVABLE, WHAT WE CALL TWO
- 24 AND THREE EQUIPMENT, AND YOU CAN MOVE IT INTO THE
- 25 PERMANENT SPACE, SO YOU GET THAT LONG-TERM COMMITMENT

- 1 OF SPACE FOR STEM CELL RESEARCH.
- 2 CHAIRMAN DOMS: JUST AS LONG AS THERE'S NOT A
- 3 LOT OF DUPLICATION OF COST.
- 4 MR. KLEIN: THAT'S A GOOD IDEA BECAUSE TIME
- 5 IS VERY IMPORTANT HERE.
- DR. HALL: I'D SAY WE HAVE UP TO A MILLION
- 7 DOLLARS. HOW THEY WANT TO USE IT TO PROVIDE THE SPACE
- 8 IS UP TO THEM.
- 9 CHAIRMAN DOMS: BUT IF THERE'S NO NEW
- 10 CONSTRUCTION.
- 11 MR. KASHIAN: AS LONG AS WE DON'T BECOME AN
- 12 ABSENTEE COSIGNER OF A LEASE.
- DR. HALL: NO. NO. WE WILL NOT, I PROMISE
- 14 YOU.
- MS. HYSEN: ALONG THOSE LINES, BECAUSE I'M
- 16 ALL ABOUT REUSING THINGS THAT WE COULD POSSIBLY
- 17 LEVERAGE, COULD THEY ALSO TAKE EQUIPMENT THAT EXISTS,
- 18 HAS BEEN FULLY AMORTIZED, AND BRING IT IN, AND TRY AND
- 19 GET CREDIT FOR THAT? DOES IT HAVE TO BE NEW EQUIPMENT?
- DR. HALL: NO. WE WILL NOT PAY FOR STUFF
- 21 THAT THEY ALREADY HAVE. HAS TO BE NEW EQUIPMENT. BUT
- 22 WE'VE HAD A DISCUSSION HERE IN WHICH IT WILL REQUIRE A
- 23 MINIMUM 20-PERCENT MATCH BY THE INSTITUTION. ONE
- 24 POSSIBILITY IS SOME OF THESE INSTITUTIONS HAVE ALREADY
- 25 SEEN THIS NEED, IT'S BEEN DIRE ENOUGH SO THAT THEY PUT

- 1 THEIR OWN MONEY INTO IT. AND WE WILL NOT PAY FOR
- THINGS THAT THEY'VE ALREADY DONE.
- 3 MS. HYSEN: BUT THE MATCH CAN BE IN-KIND. IT
- 4 DOESN'T HAVE TO BE NEW CASH?
- DR. HALL: WE WOULD THAT COUNT THAT. IF IT'S
- 6 PART -- IF THAT'S ALREADY IN THE FACILITY, THEY ALREADY
- 7 BOUGHT EQUIPMENT TO DO THIS STUFF THAT'S DEDICATED TO
- 8 IT, WE COUNT THAT AS PART OF THE MATCH.
- 9 MS. HYSEN: COULD THE FACILITIES, THE
- 10 PROVISION OF FACILITIES BE CONSIDERED PART OF THE MATCH
- 11 TOO?
- DR. HALL: WELL, SO THEY'RE GOING TO GET UP
- TO \$2 MILLION, ONE FOR RENOVATION, FOR ONE FOR
- 14 EQUIPMENT, AND THEY NEED TO MATCH 20 PERCENT OF THAT
- 15 NUMBER, \$400,000. HOW THEY DO IT AND WHERE THEY PUT
- 16 IT --
- 17 MS. HYSEN: THAT'S TOTALLY UP TO THEM.
- DR. HALL: WE'RE GOING TO MOVE SOME EQUIPMENT
- 19 IN THERE, WE'RE GOING TO COMMIT TO THE SPACE. WE'RE
- 20 GOING TO BUY THIS, WE'RE GOING TO PAY THIS MUCH FOR THE
- 21 RENOVATIONS, HOWEVER THEY WANT TO DO IT.
- 22 MR. SERRANO-SEWELL: ZACH, WHAT WOULD BE THE
- 23 PARAMETERS BY WHICH THE 20 PERCENT WOULD QUALIFY?
- DR. HALL: WELL, I THINK THE ONE THING WE'D
- 25 HAVE TO DO IS HAVE TO PUT A TIME LIMIT ON THE

- 1 RENOVATION. THIS CAN'T BE A RENOVATION THEY DID IN
- 2 1995 AND THEY NOW WANT TO COUNT IT AS PART OF THE
- 3 THING. IT WOULD HAVE TO BE DEDICATED TO HUMAN
- 4 EMBRYONIC STEM CELL RESEARCH THAT THEY'VE ALREADY --
- 5 SOMETHING THAT IS EXACTLY WHAT WE SPECIFY THAT THEY'VE
- 6 ALREADY PUT TOGETHER, AND NOW THEY WANT TO USE OUR
- 7 MONEY TO EXPAND IT. I WOULD SAY THAT WE CAN COUNT THE
- 8 MONEY THAT THEY'VE ALREADY INVESTED AS A MATCH. IN
- 9 ESSENCE, WE GET NOW -- IT SERVES OUR PURPOSE, AND IT
- 10 REWARDS THOSE PEOPLE WHO WENT AHEAD AND PUT THEIR OWN
- 11 MONEY INTO IT.
- 12 MR. KLEIN: IN LIGHT OF WHAT ZACH IS SAYING
- 13 IN TERMS OF WHEN THEY DO THE WORK, IT WOULD SEEM THAT
- 14 WE SHOULD HAVE A READINESS CRITERIA HERE BECAUSE
- 15 SOMEONE COULD HAVE A FABULOUS PROPOSAL, BUT THEY CAN'T
- 16 GET IT DONE FOR 18 MONTHS BECAUSE SOMEBODY HAS GOT TO
- 17 MOVE OUT OF SPACE OR THEY NEED SPECIAL PERMITS OR THEY
- 18 HAVE AN ENVIRONMENTAL PROBLEM THEY HAVE TO CLEAR UP.
- 19 WE'RE TRYING TO GET THIS FACILITY OPERATIONAL QUICKLY.
- 20 SO THEY SHOULD HAVE A DEMONSTRATION -- THEY HAVE THE
- 21 TIMELINE, BUT IN READINESS, NORMALLY YOU ALSO ASK FOR
- THEM TO IDENTIFY ALL THE THIRD-PARTY APPROVALS THAT ARE
- 23 NEEDED AND WHAT IS THEIR CONTROL OVER THOSE THIRD-PARTY
- 24 APPROVALS, AND FOR THEM TO SPECIFICALLY IDENTIFY IF
- THERE IS A PROBLEM, WHEN THAT PROBLEM WILL BE

- 1 EXTINGUISHED? WHEN DO THEY EXPECT TO HAVE A RELEASE OF
- 2 THAT? OTHERWISE, WE MAKE A GRANT AND OUR MONEY IS
- 3 STUCK AND SITTING OUT THERE FOR TWO YEARS.
- 4 DR. HALL: THESE ARE THINGS WE SHOULD ASK
- 5 THEM; BUT IN TERMS OF OUR OWN CRITERIA, IS IT COVERED
- 6 UNDER MILESTONES AND TIMELINES OR NOT?
- 7 MR. KLEIN: WELL, IN TERMS OF READINESS --
- 8 DR. HALL: WILL IT BE READY?
- 9 MR. KLEIN: IN TERMS OF READINESS, ONE OF
- 10 THEIR CRITERIA WOULD BE, YOU KNOW, IS IT OPERATIONAL
- 11 WITHIN SIX MONTHS, NINE MONTHS, 12 MONTHS? YOU PROVIDE
- 12 CERTAIN TRANCHES, AND YOU ASSIGN DIFFERENT POINTS TO
- 13 THOSE TRANCHES.
- MR. KASHIAN: ROBERT, I DON'T KNOW IF IT
- 15 WOULD BE TOO STRINGENT A REQUIREMENT FOR NONPROFITS,
- 16 BUT IN THE REAL WORLD, WHAT WE DO IS WE PROVIDE THE
- 17 FUNDS AFTER THE PROJECT HAS BEEN COMPLETED AND THE LIEN
- 18 WAIVERS ARE OVER, AND AS LONG AS IT'S COMPLETED WITHIN
- 19 TIMEFRAME. AND THAT WOULD ENSURE THE FACT -- WHAT
- 20 CALTRANS DOES IS THEY'LL DO A HYBRID OF THAT. IF THEY
- 21 PROVIDE A GRANT FOR THE INFRASTRUCTURE, THEY'LL PAY THE
- 22 MONEY AS IT'S BEING FUNDED PROVIDING IT'S BEING
- 23 CONSTRUCTED ON TIME.
- 24 MR. KLEIN: THAT ASSURES US THAT IT WILL
- 25 INDEED BE PERFORMED, BUT IT STILL COULD HANG UP

- 1 COMMITTED MONEY FOR TWO YEARS.
- 2 CHAIRMAN DOMS: WE DON'T WANT TO COMMIT MONEY
- 3 FOR SOMETHING THAT IS DELAYED FOR A YEAR OR TWO YEARS.
- 4 I THINK WHAT WE COULD DO THERE IS IN OUR ABSTRACTS, IF
- 5 THAT'S THE RIGHT WORD, WHAT ARE THE THIRD-PARTY
- 6 APPROVALS REQUIRED, AND WHAT IS THE SCHEDULE TO
- 7 COMPLETE THOSE APPROVALS, KNOWING THAT IN THE
- 8 ENTITLEMENTS AREA, THEY'RE NOT ALWAYS APPROVED ON
- 9 SCHEDULE.
- 10 MR. KLEIN: AND THEY'RE GIVING THEM POINTS.
- 11 WE COULD EVEN, IF IT'S 90 DAYS OR SIX MONTHS OR NINE
- 12 MONTHS OR 12 MONTHS, WE COULD GIVE DIFFERENTIAL POINTS
- 13 FOR PEOPLE TO GET THEIR ACT TOGETHER AND GET THEIR
- 14 PLANS MOVING SO THEY'RE PREPARED TO PERFORM.
- DR. HALL: BOB, HOW ABOUT THIS, IF I REWORD
- 16 THIS TIMELINE AND MILESTONES, HOW SOON CAN THE PROJECT
- 17 BE OPERATIONAL?
- 18 MR. KLEIN: YEAH. SHOULD WE GIVE --
- 19 MR. KASHIAN: WHAT IS THE ANTICIPATED
- 20 COMPLETION DATE?
- MR. KLEIN: WE NEED AN ACTUAL --
- DR. HALL: WE CERTAINLY WILL ASK FOR THAT.
- OUR QUESTION HERE IS IS IT REASONABLE?
- 24 CHAIRMAN DOMS: THIS IS GOING TO BE AN
- 25 IMPORTANT PART OF OUR CRITERIA BECAUSE WE'RE GOING TO

- 1 WANT TO FUND THOSE GRANTS WHERE THEY BASICALLY HAVE
- 2 SPACE AVAILABLE AND THEY CAN START TENANT IMPROVEMENTS
- 3 ON NEXT WEEK AND MOVE FORWARD AND GET IT DONE, AND WE
- 4 CAN GET UP AND RUNNING.
- 5 MR. KASHIAN: PEOPLE ALWAYS HAVE A TENDENCY
- 6 TO OVERESTIMATE THE PROCESSING TIME IN PLANNING AND
- 7 ENVIRONMENTAL ISSUES.
- 8 CHAIRMAN DOMS: I THINK THAT'S ONE OF THE
- 9 THINGS WE BRING TO THIS COMMITTEE IS A SENSE OF HOW
- 10 LONG THESE ENTITLEMENTS TAKE AND WHETHER WE THINK THAT
- 11 SCHEDULE THAT THEY'VE GIVEN US IS REASONABLE.
- MR. KASHIAN: I WOULD ALSO SUGGEST A STAFF
- 13 MEMBER TO VISIT.
- 14 CHAIRMAN DOMS: WELL, THAT'S -- YES.
- DR. HALL: WE DEFINITELY WILL DO THAT.
- 16 CHAIRMAN DOMS: WE'RE GOING TO PUT THAT IN.
- 17 MS. HYSEN: I JUST THINK THAT IT'S SO
- 18 IMPORTANT THAT WHATEVER WE ASK FOR, WHATEVER WE'RE
- 19 REVIEWING HERE WE'VE ASKED FOR FIRST. AND WE CANNOT
- 20 ASK FOR IT LATER. SO, YOU KNOW, AS THE SPEAKER FROM UC
- 21 IRVINE MENTIONED, THERE IS SO MUCH THAT GOES INTO A
- 22 PLANNING PROCESS. AND WE MIGHT FIND OURSELVES IN THE
- 23 POSITION OF TAKING THE WORD OF THESE APPLICANTS AND NOT
- 24 BEING ABLE TO GO BACK AND RESEARCH THE VALIDITY OF SOME
- 25 OF THAT. FOR INSTANCE, DESIGN-BUILD, THE STATE

- 1 PIONEERED IT MANY YEARS AGO, AND IT'S NOT DEPARTMENT OF
- 2 FINANCE'S FAVORITE TOOL, BUT IT REQUIRES A VERY
- 3 SOPHISTICATED TEAM ON THE OWNER'S END TO DO.
- 4 SO THE KINDS OF QUESTIONS YOU WOULD ASK HERE
- 5 AREN'T REALLY REFLECTED, LIKE WHAT IS YOUR EXPERIENCE
- 6 IN THESE KINDS OF PROJECTS? WHAT PROJECTS HAVE YOU
- 7 DONE BEFORE? SO IN THE WAY IN WHICH AN OWNER WOULD
- 8 INTERVIEW A DESIGN-BUILD TEAM, YOU'RE INTERVIEWING THE
- 9 GRANTEE. WHAT IS YOUR EXPERIENCE DOING THESE PROJECTS?
- 10 SO THOSE ARE SOME OF THE KINDS OF QUESTIONS YOU WOULD
- 11 ASK. AND I MEAN IT REALLY IS INCUMBENT UPON US TO
- 12 PRIORITIZE BASED ON THOSE FACILITIES THAT CAN GET OFF
- 13 THE GROUND. IN FACT, IT'S SPECIFIC IN THE LEGISLATION
- 14 THAT WE PRIORITIZE. SOME ACTUALLY GO TO THE HEAD OF
- 15 THE PILE, MAYBE NOT BECAUSE THEY'RE THE BEST FACILITY,
- 16 BUT BECAUSE THEY CAN BE BUILT THE FASTEST. SO I THINK
- 17 WE JUST REALLY WANT TO SPEND TIME WITH WHATEVER THAT
- 18 APPLICATION IS.
- 19 DR. HALL: REMEMBER, WE'RE TALKING ABOUT A
- 20 COUPLE THOUSAND SQUARE FEET HERE. MAYBE I'D ASK, I
- 21 DON'T KNOW, UNIVERSITY REPRESENTATIVES HERE HOW LONG
- WOULD IT TAKE TO RENOVATE 2,000 SQUARE FEET FOR A LAB?
- 23 MS. HOFFMAN: WELL, I DEFER TO LORI SINCE
- 24 UCSF JUST DID A RENOVATION OF A LAB FOR HUMAN EMBRYONIC
- 25 STEM CELL.

- 1 MS. YAMAUCHI: IT TOOK A LITTLE LONGER
- 2 BECAUSE OF SOME OF THE STATE DOMINOES THAT NEEDED TO
- 3 FALL. AND THERE WERE SOME -- LIKE YOU SAID, SOMETIMES
- 4 THERE ARE UNANTICIPATED CONDITIONS IN THE FIELD. WE
- 5 ENCOUNTERED THAT IN THIS PROJECT.
- DR. HALL: IT'S A VERY LONG INTRODUCTION
- 7 HERE. WHAT'S THE BOTTOM LINE?
- 8 MS. YAMAUCHI: I'D SAY A YEAR LONG JUST FOR
- 9 CONSTRUCTION. ASSUMING THAT THE PROJECT IS --
- 10 MR. KLEIN: SO PERHAPS, AS WELL, LORI --
- DR. HALL: HAVE TO STAY ON UCSF.
- MR. KLEIN: LORI, PERHAPS YOU AND OTHERS
- 13 COULD GIVE US SUGGESTIONS BECAUSE AT TIMES WITHIN THE
- 14 UC SYSTEM, FOR EXAMPLE, OUR AGENCY MAY ASK THEM TO
- 15 SPECIFICALLY CREATE AN EXPEDITED PROCESS, SO THE UC
- 16 SYSTEM CAN COMPETE ON TIME BETTER. RIGHT NOW, IN
- 17 ANTICIPATION OF THIS, IF WE CAN MAKE A REQUEST TO THE
- 18 PRESIDENT'S OFFICE FOR THEM TO SET UP THIS SEPARATE
- 19 CHANNEL WOULD BE PERHAPS HELPFUL TO THEM.
- MS. HOFFMAN: I WILL SAY, SPEAKING FROM THE
- 21 OFFICE OF THE PRESIDENT, BUT NOT FOR THE PRESIDENT,
- 22 THAT, IN FACT, THE TIMELINE THAT LORI GAVE, WAS THAT
- 23 FOR CONSTRUCTION?
- MS. YAMAUCHI: YEAH.
- 25 MS. HOFFMAN: SO THAT WAS JUST FOR

- 1 CONSTRUCTION. AND I THINK THAT CERTAINLY THE OFFICE OF
- THE PRESIDENT IS PREPARED TO STREAMLINE THESE PROCESSES
- 3 AND THESE PARTICULAR PROJECTS. ONE THING THAT WASN'T
- 4 NOTED THIS MORNING IN THE CONVERSATION WITH REBEKHA IS,
- 5 IN FACT, AT THE JULY MEETING WE ASKED THE COMMITTEE ON
- 6 GRANTS AND BUILDINGS TO DELEGATE A CERTAIN AMOUNT OF
- 7 MODIFIED P FUNDING FOR SCHEMATICS FOR SOME OF THESE
- 8 PROJECTS SO THAT THE CAMPUSES THAT DID WANT TO COMPETE
- 9 AND FELT THAT THEY WERE COMPETITIVE COULD BEGIN TO MOVE
- 10 FORWARD.
- ON THE RENOVATIONS, I'M NOT SURE, OTHER THAN
- 12 WAIVING COMPETITIVE BID PROCESS, WHICH IS
- 13 UNREALISTIC --
- MR. KLEIN: NO. WON'T DO THAT.
- MS. HOFFMAN: -- THAT WE COULD EXPEDITE
- 16 CONSTRUCTION ANY FASTER THAN THAT.
- 17 MR. KLEIN: IF THERE ARE -- HOPEFULLY THESE
- 18 ARE BELOW THE THRESHOLD FOR THE PUBLIC WORKS BOARD.
- 19 YES. BUT --
- 20 MS. YAMAUCHI: YOU'RE NOT TALKING ABOUT
- 21 GENERAL OBLIGATION BONDS FOR THESE GRANTS. SO I DON'T
- THINK THAT THE STATE PUBLIC WORKS BOARD PROCESS, I
- 23 WOULD DEFER TO COUNSEL, BUT I THINK THE ISSUE IS THE
- 24 USE OF STATE GENERAL OBLIGATIONS BONDS AND DISBURSEMENT
- 25 OF THOSE MONIES.

- 1 MR. KLEIN: IT'S A VERY -- THIS IS A -- IT'S
- 2 A VERY INTERESTING AND ACUTELY ARTICULATED POINT HERE
- 3 THAT WE NEED TO RESEARCH BECAUSE, IN TRYING TO GET
- 4 THESE PARTICULAR SHARED FACILITIES DONE, WE'RE USING A
- 5 VERY SPECIFIC FINANCING VEHICLE WHICH MAY, IN FACT,
- 6 EXPEDITE THIS PROCESS. AND WE WILL NEED TO RESEARCH
- 7 THAT. IT'S VERY INTERESTING.
- 8 MR. KASHIAN: DOES TALKING TO AN APPLICANT
- 9 AFTER THE APPLICATION PERTAIN TO YOU?
- 10 MR. KLEIN: WHAT'S THAT?
- 11 MR. KASHIAN: DOES TALKING TO AN APPLICANT
- 12 AFTER THEY'D MADE AN APPLICATION PERTAIN TO YOU?
- MR. KLEIN: THEY CAN'T TALK TO ME. I'M NOT
- 14 PROCESSING IT.
- 15 CHAIRMAN DOMS: LET ME MAKE A SUGGESTION IN
- 16 TERMS OF THE CRITERIA FOR REVIEW. WE COULD SPEND AN
- 17 AWFUL LOT OF TIME ON THIS. WE ARE IN THE PROCESS OF --
- 18 ZACH IS IN THE PROCESS, CIRM IS IN THE PROCESS OF
- 19 HIRING A FACILITIES PERSON. AND I WOULD SUGGEST
- 20 THAT -- AND WE'VE TALKED ABOUT GEOGRAPHICAL
- 21 DISTRIBUTION. WE'VE TALKED ABOUT THE SCHEDULE AS IT
- 22 RELATES TO ENTITLEMENTS, THOSE KINDS OF ISSUES. WE'VE
- TALKED ABOUT EQUIPMENT ISSUES, WE'VE TALKED ABOUT
- 24 MATCHING FUNDS, 20-PERCENT REQUIREMENT. AND THERE ARE
- 25 MANY, MANY OTHER THINGS THAT WE COULD ADD TO THIS

- 1 CRITERIA FOR REVIEW. WE'RE NOT GOING TO GET IT DONE
- 2 TODAY.
- 3 I WOULD LIKE TO SEE US, SINCE -- JAMES, WE
- 4 NEED TO APPROVE THIS TODAY, DON'T WE? -- WE APPROVE
- 5 THIS AS IT IS HERE, AND AT OUR NEXT MEETING, CAN WE
- 6 MAKE INTERIM STEPS IN THIS?
- 7 MR. HARRISON: IT DEPENDS WHAT YOU'RE --
- 8 CHAIRMAN DOMS: I'D LIKE TO SEE THE CRITERIA
- 9 FOR REVIEW, AS WE GO DOWN THE ROAD, WE ADD TO IT AND
- 10 MAKE IT MORE SUBSTANTIVE. I THINK THIS IS A REALLY
- 11 GOOD FIRST START.
- MR. HARRISON: SO THE PURPOSES OF THIS
- 13 PARTICULAR ROUND, YOU COULDN'T CHANGE THE CRITERIA
- 14 BECAUSE THE RFA WILL BE BASED ON THESE CRITERIA.
- MR. KLEIN: WHAT'S IMPORTANT HERE IS, RUSTY,
- 16 YOU'VE MENTIONED SOME OF THE POINTS. I THINK THE
- 17 SIGNAL POINTS HAVE BEEN RAISED IN THIS MEETING, LIKE
- 18 GEOGRAPHIC ACCESSIBILITY AND LOCATION. IT WOULD BE
- 19 POSSIBLE, IF THERE'S A SENSE OF THE COMMITTEE, TO LIST
- 20 SOME OF THEM THAT JEFF OR OTHERS HAVE OR DEBORAH HAVE
- 21 BROUGHT UP, AND THEN PASS IT WITH A DIRECTION TO STAFF
- TO FORMALIZE THOSE CRITERIA, SO WE DON'T HAVE TO
- WORDSMITH THEM ALL, BUT WE CAPTURE THOSE ADDITIONAL
- 24 CRITERIA THAT DAVID, FOR EXAMPLE, HAS TALKED ABOUT FROM
- 25 A PORTFOLIO POINT OF VIEW WHEN WE GET TO THAT LEVEL,

- 1 HAVING TO LOOK GEOGRAPHICALLY WHETHER WE'VE COVERED ALL
- THE AREAS. ZACH MENTIONED IT TOO. WE NEED IT TO BE IN
- 3 THE CRITERIA SO WE HAVE SOMETHING TO HANG OUR HATS ON.
- 4 DR. HALL: THAT'S SIMILAR. THAT ACTUALLY
- 5 FITS IN VERY NICELY, I THINK, WITH TWO PARTS OF IT;
- 6 THAT IS, ONE IS TECHNICAL. WE'VE GOT A PLAN, THERE ARE
- 7 NOT EXORBITANT EXPENSES, YOU'RE GOING TO HAVE A GOOD
- 8 TIMELINE, AND THEN, HOWEVER, THERE MAY BE OTHER SOME
- 9 CONSIDERATIONS THAT WILL DETERMINE WHICH GET
- 10 RECOMMENDED IN WHICH ORDER.
- 11 MR. KLEIN: ONE OF THOSE THAT WAS JUST
- 12 MENTIONED WAS THE PROJECT MANAGER WHO IS THE PROJECT
- 13 MANAGER OF THE RENOVATION, WHAT'S THEIR MANAGER'S
- 14 EXPERIENCE BECAUSE IT COULD REALLY EXPEDITE IT OR HELP
- 15 SAVE COST TO HAVE SOMEBODY WITH REAL GOOD EXPERIENCE IN
- 16 RENOVATION, PARTICULARLY THIS KIND OF A TECHNICAL
- 17 FACILITY.
- DR. WRIGHT: HISTORICAL PERFORMANCE IS WHAT I
- 19 HEARD DEBORAH TALKING ABOUT.
- DR. HALL: HISTORICAL PERFORMANCE, THAT'S
- 21 GOOD. AS WE HAVE CONCEIVED THE RFA, WE WOULD SAY
- 22 SOMETHING LIKE HAVE YOU -- IN OTHER PROJECTS OF THIS
- SORT, WHAT HAS THE COST BEEN, AND WE SHOULD ADD
- 24 TIMELINE TO IT. THAT WOULD BE THE OTHER THING. AND IF
- 25 THIS IS DIFFERENT, TELL US WHY. ACTUALLY WE SAY AND

- 1 OTHER INSTITUTIONS, SO THEY COMPARE, NOT WITHIN THEIR
- 2 OWN INSTITUTIONS, IN OTHER INSTITUTIONS AS WELL.
- 3 MR. SERRANO-SEWELL: RUSTY, CAN I RECOMMEND
- 4 THAT THIS IS WORKING GROUP EMPOWER YOU TO WORK WITH
- 5 ZACH AND FINALIZE THE CRITERIA FOR REVIEW? I WOULD
- 6 FEEL COMFORTABLE WITH THAT IF YOU AND ZACH WOULD WORK
- 7 TOGETHER IN FINALIZING THIS CRITERIA, WHICH WILL BE THE
- 8 BASIS FOR THIS UPCOMING RFA ROUND. JUST THIS SECTION,
- 9 JUST THE CRITERIA FOR REVIEW SECTION.
- 10 MR. KLEIN: I SECOND THAT. AND WE, I THINK,
- 11 DISCUSSED THE ITEMS THAT NEED TO BE EXPANDED IN THE
- 12 DEVELOPMENT OF THE FINAL CRITERIA FOR THIS INTERIM
- 13 PURPOSE.
- 14 MR. SIMPSON: LET THEM BE PRESENTED TO THE
- 15 NEXT ICOC. WHEN WILL THAT DOCUMENT BE MADE PUBLIC?
- DR. HALL: WHAT TIME IS IT? MELISSA, WHEN DO
- 17 THE DOCUMENTS GO UP?
- 18 MS. KING: WEDNESDAY AFTERNOON. I WILL BE
- 19 POSTING THEM ON THE WEBSITE WEDNESDAY AFTERNOON.
- 20 CHAIRMAN DOMS: WEDNESDAY AFTERNOON.
- DR. HALL: I'LL FAX YOU A DRAFT TOMORROW.
- MR. KLEIN: SO THERE'S A MOTION AND A SECOND.
- 23 CHAIRMAN DOMS: ALL IN FAVOR OF THAT MOTION.
- DR. HALL: ASK FOR COMMENT FROM THE PANEL AND
- 25 COMMENT FROM THE PUBLIC.

- 1 CHAIRMAN DOMS: COMMENT FROM THE PANEL?
- 2 COMMENT FROM THE PUBLIC?
- 3 MR. SIMPSON: SEEMS A SENSIBLE APPROACH.
- 4 CHAIRMAN DOMS: ALL IN FAVOR. THE MOTION
- 5 PASSES.
- 6 OKAY. NEXT AGENDA ITEM IS THE BYLAWS.
- 7 MR. KASHIAN: RUSTY, I HATE TO DIGRESS, BUT
- 8 TAKE ME 30 SECONDS.
- 9 CHAIRMAN DOMS: PLEASE.
- 10 MR. KASHIAN: SINCE WE'RE FORBIDDEN TO TALK
- 11 TO APPLICANTS ABOUT AN APPLICATION, COULD I REQUEST OF
- 12 DR. HALL AND STAFF TO PROVIDE US WITH A LIST OF THE
- 13 APPLICATIONS, SO I KNOW WHO NOT TO TALK TO?
- DR. HALL: ABSOLUTELY.
- 15 CHAIRMAN DOMS: YOU ARE GOING TO GET THOSE
- 16 SOONER THAN YOU WOULD LIKE. YOU'LL HAVE THEM ALL.
- DR. HALL: AMONG OTHER THINGS, WE'LL DO THAT
- 18 SO THAT YOU CAN SELF-IDENTIFY FOR CONFLICT OF INTEREST.
- 19 MR. KLEIN: ED, YOU CAN TALK TO THEM AS LONG
- 20 AS IT'S NOT ABOUT THE APPLICATION.
- MR. KASHIAN: OKAY.
- 22 CHAIRMAN DOMS: BYLAWS. NEXT AGENDA ITEM IS
- 23 DRAFT BYLAWS. YOU ALL HAVE HAD A COPY OF THIS. I
- 24 ASSUME THAT ALL OF YOU HAVE READ THE BYLAWS.
- MR. HARRISON: RUSTY, I'D JUST ASK ONE POINT

- 1 OF CLARIFICATION. WAS THAT LAST MOTION INTENDED TO
- 2 ENCOMPASS NOT JUST THE CRITERIA, BUT THE INTERIM
- 3 PROCEDURES AS WELL?
- 4 CHAIRMAN DOMS: EVERYTHING.
- 5 MR. HARRISON: THANK YOU.
- 6 CHAIRMAN DOMS: YOU HAVE HAD A COPY OF THE
- 7 BYLAWS. THESE WERE DISCUSSED AT THE LAST MEETING. I
- 8 CAN SUMMARIZE THEM, OR WE CAN JUST OPEN IT UP FOR
- 9 QUESTIONS. COMMENTS? CONCERNS? ISSUES?
- 10 MR. SERRANO-SEWELL: I MOVE TO APPROVE.
- 11 MR. HARRISON: RUSTY, I WAS JUST GOING TO
- 12 SUGGEST, IN LIGHT OF THE EARLIER DISCUSSION, THAT YOU
- 13 CONSIDER ADDING A SECTION 4 TO ARTICLE VII. THIS
- 14 PERTAINS TO THE FACILITIES WORKING GROUP PROCEDURE FOR
- 15 RECOMMENDING GRANT AND LOAN APPLICATIONS. AND YOU HAD
- 16 DISCUSSED ADOPTING A RULE WHEREBY MEMBERS WOULD NOT
- 17 DISCUSS AN APPLICATION WITH AN APPLICANT AFTER THE
- 18 APPLICATION WAS MADE. YOU COULD INCLUDE THAT PROVISION
- 19 IN YOUR BYLAWS TO MAKE IT CLEAR.
- 20 CHAIRMAN DOMS: I'M SORRY. WHERE WOULD YOU
- 21 ADD THAT?
- MR. HARRISON: I WOULD ADD THAT TO ARTICLE
- VII AS A NEW SECTION 4 TO READ, COMMUNICATIONS WITH
- 24 APPLICANTS. ONCE AN APPLICATION IS MADE, MEMBERS OF
- 25 THE FACILITIES WORKING GROUP SHALL NOT COMMUNICATE WITH

- 1 APPLICANTS REGARDING APPLICATIONS -- REGARDING THEIR
- 2 APPLICATIONS.
- 3 CHAIRMAN DOMS: YOU WANT TO AMEND YOUR MOTION
- 4 TO INCLUDE THAT?
- 5 MR. SERRANO-SEWELL: I WILL CERTAINLY INCLUDE
- 6 IT. I THINK THE QUESTION OF EX PARTE DISCUSSIONS OR
- 7 BEING LOBBIED ARE SO IMPORTANT, THAT A RECOMMENDATION
- 8 OUGHT TO COME FROM THE CHAIR OF THE ICOC OR THE
- 9 PRESIDENT THAT IS APPLICABLE TO ALL ICOC MEMBERS AND
- 10 WORKING GROUP MEMBERS. I MEAN IT SORT OF JUST GOES
- 11 WITHOUT SAYING AND COMMON SENSE THAT AN APPLICANT
- 12 DOESN'T HAVE A ONE-ON-ONE CONVERSATION ABOUT THEIR
- 13 PARTICULAR APPLICATION. SHOULD THAT DISCUSSION HAPPEN,
- 14 A, IT'S INAPPROPRIATE, IT'S UNETHICAL, AND, C, IT'S
- 15 GOING TO HAVE TO BE DISCLOSED ON SOME LEVEL. MY
- 16 BROADER POINT IS IT'S SO IMPORTANT, DO WE NEED TO
- 17 EMBODY IT IN THE BYLAWS? WE OUGHT TO HAVE ONE GENERAL
- 18 POLICY APPLICABLE TO EVERYONE.
- 19 MR. KLEIN: WELL, I THINK THAT I'D BE HAPPY
- 20 AT THE BOARD MEETING TO MAKE A PROPOSAL AT THE BOARD
- 21 MEETING SO THAT IT'S CLEAR THAT IT APPLIES TO THE WHOLE
- 22 BOARD BECAUSE IT'S VERY IMPORTANT.
- 23 DR. HALL: THE CONFIDENTIALITY POLICY PASSED
- 24 BY THE BOARD FOR THE GRANTS REVIEW WORKING GROUP
- 25 EXPLICITLY PROHIBITS DISCUSSING ANY OF THE APPLICATIONS

- 1 OUTSIDE THE GRANTS WORKING GROUP MEETINGS WITH THE
- 2 APPLICANT OR WITH ANYONE ELSE. AND THAT ACTUALLY AT
- 3 THE END OF THE GRANTS WORKING GROUP MEETING, ALL
- 4 MATERIALS ARE SUPPOSED TO BE DESTROYED AND THE
- 5 APPLICATION IS SUPPOSED TO BE DESTROYED, AND ALL THIS
- 6 IS TO PRESERVE THE CONFIDENTIALITY OF THOSE. I DON'T
- 7 THINK IT'S A PROBLEM THERE. THAT POLICY IS MORE STRICT
- 8 EVEN THAN THIS ONE, AND IT'S BECAUSE THEY'RE
- 9 CONFIDENTIAL. PEOPLE PUT THEIR BEST IDEAS IN. AND THE
- 10 LAST THING YOU WANT TO HAVE IS SOMEBODY SAYING, "OH,
- 11 I'VE GOT THIS REALLY INTERESTING APPLICATION. I
- 12 THOUGHT YOU'D BE INTERESTED IN IT BECAUSE YOU WORK IN
- 13 THAT FIELD."
- 14 SO IT'S VERY STRICT TO PROTECT THAT IN THE
- 15 GRANTS WORKING GROUP. SO HOWEVER YOU WANT TO HANDLE
- 16 IT, BUT JUST FOR INFORMATION.
- 17 MR. KLEIN: IN TERMS OF BUILDING PRACTICES,
- 18 IT'S NOT SCIENCE, BUT THERE ARE BEST PRACTICES, SOME OF
- 19 WHICH WE'VE HEARD ABOUT TODAY, AND WE MAY WANT TO LEARN
- 20 ABOUT BEST PRACTICES AND, IN FACT, ADVANCE THOSE WITH
- 21 LATER ROUNDS OF APPLICANTS. IN FACT, IT COULD HELP
- 22 SAVE A LOT OF MONEY, TIME, AND HEARTACHE IF WE REALLY
- 23 START INVENTORYING BEST PRACTICES. SO WE DON'T WANT TO
- 24 REALLY PROTECT THAT KNOWLEDGE, BUT IN TERMS OF -- I'D
- 25 BE HAPPY TO MAKE A RECOMMENDATION TO THE BOARD, AND I

- 1 HOPE I CAN COUNT ON YOU FOR A SECOND, THAT AFTER AN
- 2 APPLICATION IS MADE, IT'S COMPLETELY WITHIN THE PURVIEW
- 3 OF PARTICIPATION IN OPEN MEETINGS AND STAFF WORK, BUT
- 4 IT'S NOT APPROPRIATE TO DISCUSS IT WITH AN APPLICANT --
- 5 IN ANY CASE AFTER AN APPLICATION HAS BEEN MADE.
- DR. HALL: IN ANY CASE, YOU WANT TO PUT IT IN
- 7 HERE?
- 8 MR. KLEIN: FOR FACILITIES GROUP, IT WOULD
- 9 BE -- I WOULD SECOND THE PROPOSAL TO PUT IT IN HERE.
- 10 CHAIRMAN DOMS: WELL, IF YOU DO IT AT THE
- 11 BOARD LEVEL, DOES THAT APPLY TO WORKING GROUP?
- MR. SERRANO-SEWELL: ALL RIGHT. GOT IT.
- 13 NEVER MIND MY -- I WITHDRAW MY --
- MR. HARRISON: TO BE CLEAR, FOR THIS TO COVER
- 15 THE FACILITIES WORKING GROUP, IT HAS TO BE IN THE
- 16 FACILITIES WORKING GROUP BYLAWS SEPARATELY.
- 17 MR. KLEIN: THAT'S WHY I WAS SECONDING IT AS
- 18 TO THIS.
- MR. SERRANO-SEWELL: WE WERE BOTH RIGHT.
- 20 CHAIRMAN DOMS: WE'RE GOING TO DO IT BOTH
- 21 WAYS.
- 22 MR. KLEIN: I WAS SECONDING AS TO THIS ITEM
- 23 AND THEN ALSO ASKING HIM TO SECOND IT AT THE BOARD
- 24 MEETING.
- 25 MR. SERRANO-SEWELL: WE GOT IT WAY COVERED.

- 1 CHAIRMAN DOMS: WE HAVE A MOTION TO APPROVE
- THE BYLAWS AS DRAFTED WITH THE AMENDMENT THAT DAVID
- 3 SUGGESTED. ARE THERE ANY OTHER COMMENTS?
- 4 DR. WRIGHT: I JUST HAVE A QUESTION. ON PAGE
- 5 3, SECTION 8, UNDER A, APPOINTMENT, I THINK IT'S JUST A
- 6 TYPO. IT'S SUPPOSED TO BE THE FACILITY WORKING GROUP
- 7 TO SERVE AS CHAIR OF THE SCIENTIFIC MEDICAL. ISN'T
- 8 THAT SUPPOSED TO BE FACILITIES WORK GROUP?
- 9 CHAIRMAN DOMS: YOU'RE RIGHT. I THINK THAT
- 10 WAS --
- 11 DR. WRIGHT: I DON'T THINK THERE IS A GWG.
- DR. HALL: WE GET SO CONFUSED BY THOSE
- 13 ACRONYMS, WE NOW REFER TO THEM AS THE GRANTS WG AND THE
- 14 FACILITIES WG, AND LEAVE OFF ALL THE REST OF THE STUFF.
- DR. WRIGHT: RIGHT. RIGHT.
- DR. HALL: I ACTUALLY DON'T KNOW.
- 17 DR. WRIGHT: I DON'T THINK THERE'S A GWG.
- 18 WELL, THAT GRANTS REVIEW, BUT --
- 19 DR. HALL: CAN WE JUST CALL IT THE FACILITIES
- 20 WG, FACILITIES WORKING GROUP? ACTUALLY I THINK WE WENT
- 21 THROUGH THIS DOCUMENT AND TRIED TO REPLACE. WE JUST
- 22 FORGOT IT HERE. THANK YOU.
- MR. KLEIN: WE'LL HAVE A REAL ESTATE
- 24 SPECIALIST IN CHARGE OF SCIENTIFIC RESEARCH.
- 25 CHAIRMAN DOMS: JAMES.

- 1 MR. HARRISON: RUSTY, I'M SORRY. JUST ONE
- 2 OTHER TECHNICAL CHANGE THAT SCOTT AND I NOTICED AS WE
- 3 WERE LOOKING AT THIS FOR THE SIXTH OR SEVENTH TIME. IN
- 4 ARTICLE V AT PAGE 4, WE HAVE A PROVISION IN SECTION 3
- 5 AND IN SECTION 4 FOR ALTERNATE REAL ESTATE MEMBERS AND
- 6 AD HOC MEMBERS. AND I THINK THIS WAS PROBABLY BORROWED
- 7 FROM THE GRANTS REVIEW WORKING GROUP, WHICH HAS
- 8 DIFFERENT CATEGORIES OF ALTERNATES WHO ACTUALLY COUNT
- 9 TOWARDS A QUORUM AND PARTICIPATE IN THE VOTE AND
- 10 SPECIALISTS WHO PROVIDE EXPERTISE, BUT DON'T COUNT
- 11 TOWARDS THE QUORUM AND DON'T VOTE.
- 12 IN SECTIONS 3 AND 4 HERE, WE BASICALLY SIMPLY
- 13 REPEATED THE SAME LANGUAGE, SO I THINK WE JUST NEED ONE
- 14 CATEGORY THERE THAT WOULD BE AD HOC MEMBERS.
- DR. HALL: THERE ARE ALTERNATE MEMBERS WHO
- 16 WERE CHOSEN BY THE SEARCH COMMITTEE. THEY'RE LISTED --
- 17 I DON'T HAVE THEM HERE, BUT --
- MS. KING: WE DO.
- 19 DR. HALL: MELISSA WOULD KNOW THAT.
- MS. KING: WE HAVE AD HOC MEMBERS AND
- 21 ALTERNATE MEMBERS THAT THE SEARCH SUBCOMMITTEE FOR THE
- 22 FACILITIES WORKING GROUP APPOINT -- WELL, THE ICOC
- 23 ULTIMATELY APPOINTED. THEY ALREADY EXIST.
- DR. HALL: BOTH AD HOC. I REMEMBERED THE
- 25 ALTERNATES. I DIDN'T REMEMBER THE AD HOCS.

- 1 MS. KING: THEY DO EXIST, ALTHOUGH -- I WON'T
- 2 TAKE TOO LONG -- THAT DOESN'T NECESSARILY MEAN THAT YOU
- 3 HAVE TO GIVE THEM EXACTLY THE SAME RULES AS FOR THE
- 4 GRANTS WORKING GROUP. AND YOU MAY HAVE TO SEEK OTHERS.
- 5 I'M JUST THINKING OUT LOUD. BASED ON WHO THEY ARE, YOU
- 6 MIGHT HAVE TO SEEK OTHERS FOR SPECIFIC EXPERTISE.
- 7 DR. HALL: THAT'S THE QUESTION, WHETHER WE
- 8 WANT TO BRING IN OTHERS.
- 9 MR. SERRANO-SEWELL: WHAT'S THE POINT OF
- 10 CLARIFICATION, JAMES? I'M SORRY. WHAT WAS IT THAT YOU
- 11 NEED CLARIFIED?
- 12 MR. HARRISON: I MISUNDERSTOOD THE HISTORY.
- 13 I THOUGHT THAT THE ALTERNATE REAL ESTATE MEMBERS AND
- 14 THE AD HOC MEMBERS AS DELINEATED HERE SEEMED TO HAVE
- 15 THE SAME RESPONSIBILITY, SO I WONDERED THE ABOUT NEED
- 16 FOR TWO SEPARATE CATEGORIES.
- 17 DR. HALL: IT WAS A THEORETICAL THING, BUT IN
- 18 ACTUAL FACT, THERE ARE PEOPLE THAT HAVE BEEN IDENTIFIED
- 19 AND APPOINTED.
- MR. HARRISON: RIGHT.
- 21 CHAIRMAN DOMS: MARCY.
- MS. FEIT: IS IT APPROPRIATE TO ADD
- 23 SPECIALIZED REAL ESTATE EXPERTISE AND/OR EQUIPMENT AS
- 24 NEEDED? SINCE WE HAD A DISCUSSION ABOUT SPECIALIZED
- 25 PIECES OF EQUIPMENT.

- 1 DR. HALL: SAY REAL ESTATE AND/OR EQUIPMENT
- 2 EXPERTISE. VERY GOOD.
- 3 DR. WRIGHT: THAT'S UNDER THE AD HOC, RIGHT?
- 4 ME. SHEEHY: YOUR POINT, DON'T THE ALTERNATES
- 5 GET TO VOTE? SO THAT DOES NEED TO BE CLARIFIED.
- 6 MR. HARRISON: THAT'S ACTUALLY, I THINK, A
- 7 DIFFERENCE BETWEEN THE GRANTS WORKING GROUP AND THIS
- 8 WORKING GROUP, AT LEAST AS SET FORTH IN THESE BYLAWS.
- 9 THE GRANTS WORKING GROUP HAS ALTERNATES WHO COUNT
- 10 TOWARDS A QUORUM AND ARE ELIGIBLE TO VOTE. THE
- 11 ALTERNATES THAT MELISSA AND ZACH HAVE DESCRIBED ARE
- 12 FOLKS WHO HAVE BEEN APPOINTED BY THE ICOC TO ACT AS
- 13 ALTERNATES AND COULD BE APPOINTED TO SERVE AS A FULL
- 14 MEMBER SHOULD ONE OF THE REGULAR MEMBERS RESIGN.
- 15 CHAIRMAN DOMS: WHAT HAPPENS IN THE SITUATION
- 16 WHERE WE --
- 17 MR. SERRANO-SEWELL: NO. THAT'S NOT RIGHT.
- 18 CHAIRMAN DOMS: -- HAVE TO HAVE AN ALTERNATE
- 19 SIT IN FOR ME? THEN WE WON'T GET A QUORUM.
- 20 DR. WRIGHT: WHY DO THEY SIT IN IF THEY CAN'T
- 21 VOTE?
- 22 CHAIRMAN DOMS: IF THREE PEOPLE ARE OUT FOR
- 23 SOME VERY VALID REASON, WE SEND AN ALTERNATE, AND THEN
- 24 WE VOTE ON AN ISSUE, WE'RE NOT GOING TO HAVE A QUORUM.
- 25 MR. KLEIN: THEY ARE ELIGIBLE TO VOTE. THE

- 1 FACILITIES GROUP APPROVED ALTERNATES THAT WENT TO THE
- 2 BOARD. FACILITIES SEARCH COMMITTEE APPROVED
- 3 ALTERNATES, WENT TO THE BOARD, THE BOARD APPROVED
- 4 ALTERNATES, AND THOSE BOARD-APPROVED ALTERNATES, IF ONE
- 5 OF US IS ABSENT, SHOULD BE AVAILABLE TO SERVE SO WE DO
- 6 HAVE A QUORUM AND CAN VOTE.
- 7 DR. HALL: THERE ARE TWO WAYS TO CONSIDER IT.
- 8 THIS ACTUALLY HAS BEEN PASSED BY THE ICOC IN JULY '05,
- 9 HAS IT NOT?
- 10 MR. HARRISON: IT HAS NOT.
- MR. KLEIN: NO.
- 12 CHAIRMAN DOMS: THEY SHOULD BE ABLE TO VOTE.
- 13 DR. HALL: SO THERE ARE TWO POSSIBILITIES.
- 14 ONE IS YOU HAVE FOUR PEOPLE, AND YOU INVITE TWO MORE,
- 15 AND YOU'VE GOT SIX REAL ESTATE SPECIALISTS BECAUSE YOU
- 16 NEED THEM, IN WHICH CASE THEN YOU ONLY WANT FOUR TO
- 17 VOTE. THE OTHER IS TWO PEOPLE CAN'T COME AND YOU
- 18 INVITE OTHERS TO COME IN THEIR PLACE, SO I DON'T
- 19 KNOW --
- 20 MR. KLEIN: THE ALTERNATES WERE APPROVED AS
- 21 SUBSTITUTES FOR THE REAL ESTATE PERSONS.
- DR. HALL: THAT'S WHAT I MEAN.
- 23 DR. WRIGHT: IT'S ONLY IN THE SUBSTITUTION
- 24 CAPACITY.
- DR. HALL: IT SAYS HERE WHEN REQUESTED TO

- 1 PROVIDE SPECIALIZED REAL ESTATE EXPERTISE ON SPECIFIC
- 2 ISSUES. SO YOU MAY SAY LET'S BRING IN THIS PERSON IN
- 3 ADDITION TO THE FOUR OF US. HOWEVER YOU WANT TO DO IT.
- 4 I'M JUST TRYING TO --
- 5 MR. KLEIN: THE AD HOC MEMBERS CANNOT VOTE.
- 6 MR. SHEEHY: THE AD HOC MEMBERS. I THINK WE
- 7 SHOULD STRIKE THE SPECIALIZED. AND SO RESPONSIBLE FOR
- 8 ATTENDING MEETINGS OF THE FACILITIES WORKING GROUP WHEN
- 9 REQUESTED, ARE ELIGIBLE TO VOTE, AND CAN BE COUNTED
- 10 TOWARDS A QUORUM.
- MR. HARRISON: CAN I RECOMMEND THAT WE SIMPLY
- 12 ADOPT THE LANGUAGE THAT WE USED IN THE GRANTS WORKING
- 13 GROUP, WHICH PROVIDES THAT IT'S AT THE DISCRETION OF
- 14 STAFF AND THAT THEY COUNT TOWARDS A QUORUM AND ARE
- 15 ELIGIBLE TO VOTE?
- 16 CHAIRMAN DOMS: PLEASE. ANY OTHER COMMENTS
- 17 OR QUESTIONS? ALL IN FAVOR OF PASSING THE DRAFT BYLAWS
- 18 OF THE SCIENTIFIC AND MEDICAL FACILITIES WORKING GROUP.
- 19 ALL IN FAVOR. OPPOSED. THAT MOTION PASSES.
- AGENDA ITEM NO. 8 IS DISCUSSION OF FUTURE
- 21 FACILITY RFA'S.
- MR. KLEIN: THERE IS A POINT THAT DR. HALL
- 23 BROUGHT UP THAT I THINK, IN TERMS OF THE SHARED
- 24 FACILITIES, I THINK IS APPROPRIATE HERE, WHICH IS HIS
- 25 POINT ABOUT GIVING SOME GUIDANCE ABOUT COUNTING

- 1 EXPENDITURES THAT HAVE OCCURRED FOR MATCHING GRANT
- 2 PURPOSES. WE HEARD THIS MORNING ALL THE PRESENTATIONS
- 3 ABOUT HOW IMPORTANT IT IS TO GET THE PRELIMINARY
- 4 ARCHITECTURAL, ENGINEERING, AND CONSTRUCTION DESIGN
- 5 WORK DONE. AND THE INSTITUTIONS WOULD NEED TO KNOW, IF
- 6 THEY EXPEND THAT MONEY, WILL THAT MONEY BE COUNTED
- 7 TOWARDS THEIR MATCH. SO THAT OTHERWISE THEY DON'T WANT
- 8 TO BE IN A POSITION WHERE THEY SPEND THE MONEY AND IT
- 9 CAN'T BE COUNTED TOWARDS THEIR MATCH.
- 10 AND SO I WOULD JUST LIKE TO BRING UP THAT
- 11 ISSUE BECAUSE IT HAS BEEN BROUGHT UP GENERALLY OVER THE
- 12 LAST FEW MONTHS, AND THIS IS THE GROUP THAT WOULD HAVE
- 13 TO GIVE GUIDANCE.
- 14 CHAIRMAN DOMS: I THINK THAT'S A GOOD POINT.
- 15 IS IT APPROPRIATE AT THIS TIME, THOUGH, WHEN WE'RE
- 16 TALKING ABOUT RENOVATION?
- 17 MR. KLEIN: THIS IS FUTURE RFA'S UNDER THIS
- 18 ITEM, ISN'T IT?
- 19 CHAIRMAN DOMS: YOU'RE RIGHT. I'M SORRY.
- 20 IT'S FUTURE.
- MR. KLEIN: SO THE FUTURE RFA'S.
- 22 CHAIRMAN DOMS: I STAND CORRECTED.
- 23 MR. SERRANO-SEWELL: RUSTY, CONCEPTUALLY I
- 24 UNDERSTAND. IT SAYS PROP 71, 20 PERCENT, SO IT'S
- 25 ALREADY EMBODIED IN PROP 71.

- 1 SECONDLY, IF INSTITUTIONS ARE RAISING THIS
- 2 ISSUE, NAMELY, THE QUESTION, AS I UNDERSTAND IT, WHAT
- 3 GETS TO COUNT TOWARDS THE 20 PERCENT, THEN IT MUST BE A
- 4 BROADER POLICY ISSUE BECAUSE THERE MUST BE SOME
- 5 POLICIES THAT COUNT CERTAIN EXPENDITURES TOWARDS
- 6 WHATEVER THE MATCHING REQUIREMENT IS AND OTHER
- 7 EXPENDITURES THAT DON'T. I KNOW THERE'S COMMON SENSE
- 8 ONES, LIKE, AS, ZACH, YOU POINTED OUT EARLIER, WORK
- 9 DONE IN 1995 WOULDN'T COUNT. BUT SAY AN INSTITUTION
- 10 SPENT \$250,000 DRAFTING THEIR MASTER PLAN FOR THE
- 11 UNIVERSITY, AND WITHIN THAT MASTER PLAN CONTAINED A
- 12 DISCUSSION OF WE'RE GOING TO DEDICATE X AMOUNT OF SPACE
- 13 FOR WHIZ-BANG RESEARCH, THEY DIDN'T KNOW TO CALL IT
- 14 STEM CELL BACK THEN, BUT THEY CALLED IT SOMETHING ELSE.
- 15 SO COULD THEY NOW COME AND SAY THEY DUST OFF THE MASTER
- 16 PLAN, OKAY, YEAH, WE SPENT SOME MONEY IN PLANNING FOR
- 17 THIS KIND OF RESEARCH. WE WANT SOME -- WE WANT TO
- 18 COUNT THAT TOWARDS THE MATCHING CRITERIA.
- 19 THE REASON WHY I'M ASKING IS BECAUSE I DON'T
- 20 KNOW. WHAT'S THE INDUSTRY-ACCEPTED PRACTICE.
- MR. KLEIN: COULD WE PERHAPS GET TO WHERE YOU
- 22 ARE GOING BY SAYING, FIRST OF ALL, ANYTHING THAT THEY
- 23 GET CREDIT FOR HAS GOT TO BE SUBJECT TO AUDIT? YOU'VE
- 24 GOT TO KNOW THAT THERE'S A THIRD-PARTY AUDIT THAT
- 25 THEY'RE GOING TO HAVE TO DO AT THE END OF A PROJECT

- 1 ANYWAY.
- 2 SECONDLY --
- 3 MR. SERRANO-SEWELL: THEY DON'T KNOW THAT
- 4 THEY'RE BEING AUDITED.
- 5 MR. KLEIN: SECONDLY, AT THIS POINT, IF WE
- 6 JUST VERY NARROWLY GAVE THEM AT LEAST SOME GUIDANCE,
- 7 SAYING THAT THE ARCHITECTURAL AND ENGINEERING AND
- 8 ESSENTIAL EXPENDITURES TO ADVANCE THE ACTUAL PROPOSED
- 9 PLAN WOULD BE COUNTED FOR MATCHING AND THAT WE WILL
- 10 DEVELOP MORE REFINED GUIDELINES DETAILING THIS AT A
- 11 LATER DATE, BUT AT LEAST GIVE THEM A GENERAL DIRECTION
- 12 NOW, BUT PUTTING THEM ON NOTICE THAT WE'RE GOING TO
- 13 FURTHER DEFINE IT AS WE GO FORWARD.
- 14 CHAIRMAN DOMS: I DON'T THINK THERE IS
- 15 ESTABLISHED GUIDELINES OUT. I THINK THIS IS SOMEWHAT
- 16 UNIQUE.
- 17 DR. HALL: WE'D HAVE TO PUT IT IN THE RFA.
- 18 CHAIRMAN DOMS: I THINK THAT THIS IS
- 19 SOMETHING THAT WE HAVE TO COME UP WITH AS POLICY.
- 20 MR. SHEEHY: I THINK WE NEED TO FIGURE OUT
- 21 WHAT THE RFA'S ARE TO BEGIN WITH. IT'S KIND OF HARD TO
- 22 START QUALIFYING EXPENSES AS COUNTING TOWARDS THE 20
- 23 PERCENT WHEN WE DON'T EVEN KNOW.
- MR. KLEIN: WELL, THE INITIATIVE --
- 25 MR. SHEEHY: I THINK THE STRATEGIC PLAN

- 1 MIGHT -- I'D JUST LIKE TO KNOW WHAT FACILITY -- I THINK
- 2 AT SOME POINT, AND MAYBE AT THE ICOC, BUT A FAIRLY
- 3 ROBUST DISCUSSION ON EXACTLY WHAT WE'RE GOING TO BUILD
- 4 AND HOW MUCH WE'RE GOING TO BUILD AND WHERE WE'RE GOING
- 5 TO BUILD IT. AND WITHIN THAT CONTEXT -- I WOULD HATE
- 6 TO TELL PEOPLE THAT THEY CAN GO OUT AND SPEND A LOT OF
- 7 MONEY EXPECTING THAT THEY'RE GOING TO GET A BUILDING
- 8 AND THEN THEY DON'T GET ONE.
- 9 MS. HYSEN: IT WOULD SEEM TO ME THAT THAT'S
- 10 WHERE THE LEGAL REVIEW OF WHAT APPLICABLE STATUTES AND
- 11 CODES. FOR INSTANCE, DEPARTMENT OF FINANCE MAY
- 12 DEFINITELY HAVE AN OPINION ON WHAT CONSTITUTES A
- 13 TANGIBLE ASSET AND WHETHER OR NOT MONEY SPENT FOR
- 14 ANOTHER PROJECT CAN BE INCLUDED. SO THAT REALLY -- AND
- 15 BECAUSE FINANCE AND THE CONTROLLER AND THE TREASURER
- 16 ARE ALL PART OF THIS PROCESS IN SOME WAY OR ANOTHER, I
- 17 THINK THAT DETERMINATION WOULD BE IMPORTANT BEFORE WE
- 18 SAY, YES, THAT CAN COUNT BECAUSE THERE ARE VERY
- 19 SPECIFIC FINANCIAL REQUIREMENTS THAT I KNOW FINANCE AND
- 20 THE CONTROLLER'S OFFICE LOOKS AT WHEN THEY DEFINE WHAT
- IS A REIMBURSABLE OR A TANGIBLE ASSET, AND SOFT COSTS
- 22 ARE SQUISHY TO THE DEPARTMENT OF FINANCE.
- 23 CHAIRMAN DOMS: I THINK THAT'S TRUE. I THINK
- 24 THAT'S TRUE. WE HAVE TO TAKE IT ONE STEP FURTHER AND
- 25 LOOK AT THE PRIVATE INSTITUTIONS AND HAVE A POLICY,

- 1 STANFORD, USC, CITY OF HOPE, THOSE KINDS OF
- 2 INSTITUTIONS THAT ARE NOT GOVERNED BY STATE
- 3 REQUIREMENTS. AND I DON'T KNOW IF THE STRATEGIC
- 4 PLAN --
- DR. HALL: STRATEGIC PLAN IS NOT GOING TO
- 6 TALK ABOUT -- NOT GOING TO SAY ANYTHING ABOUT MATCHING
- 7 FUNDS.
- 8 CHAIRMAN DOMS: I KNOW THAT, BUT WE'RE GOING
- 9 TO GET INTO THE WHOLE ISSUE OF WHAT DO WE WANT TO BUILD
- 10 DOWN THE ROAD.
- 11 MR. KLEIN: WE'RE NOT GUARANTEEING THAT WE'RE
- 12 GOING TO PUT OUT AN RFA ON ANYTHING; BUT ON THE OTHER
- 13 HAND, THESE INSTITUTIONS NEED SOME BASIC DIRECTION,
- 14 THAT IF WE WERE TO PUT OUT AN RFA AND IF THEY WERE TO
- 15 BE SUCCESSFUL COMPETITORS, SUBJECT TO AN AUDIT, WHERE
- 16 THE ESSENTIAL ARCHITECTURAL AND ENGINEERING PART, WHICH
- 17 ANYONE NEEDS TO SUBMIT, THEY HAVE TO EXPEND THEM NOW TO
- 18 BE ABLE TO SUBMIT A REASONABLE RFA. IF THEY SPEND THEM
- 19 NOW, IT'S BLUE SKY. SO WE NEED TO GIVE SOME GENERAL
- 20 GUIDANCE WITHOUT ANY GUARANTEES THAT THEY CAN SPEND
- 21 THIS MONEY, REALIZING THAT THEY'RE AT RISK. AS JEFF
- 22 SAYS, WE HAVEN'T DEFINED WHAT SIZE BUILDINGS, WHETHER
- THEY'RE ONLY RENOVATIONS, ONLY NEW CONSTRUCTIONS, BUT
- 24 THEY'RE GOING TO GO OUT THERE AND DO THEIR VERY BEST
- 25 JOB OF FIGURING OUT WHAT'S THE MOST COMPETITIVE

- 1 PROPOSAL. WE KNOW THAT THEY'RE OUT THERE NOW. THE
- 2 PROBLEM IS SHOULDN'T WE GIVE SOME DIRECTION SO PEOPLE
- 3 CAN PUT TOGETHER RESPONSIBLE PROPOSALS?
- 4 MR. SHEEHY: I THINK IT SHOULD COME OUT OF
- 5 THE STRATEGIC PLAN DECIDING WHAT WE SHOULD BUILD
- 6 BECAUSE IT SOUNDS LIKE WE'RE GOING TO SAY YOU CAN SPEND
- 7 ALL THIS MONEY, WE'LL COUNT IT, INSTEAD OF SAYING THIS
- 8 IS WHAT WE WANT TO PAY FOR. AND THEN WE CAN SAY THESE
- 9 ARE ALLOWABLE.
- 10 DR. HALL: I THINK IT'S PREMATURE. I DO. I
- 11 THINK THAT MY POINT WAS THAT THERE ARE INSTITUTIONS
- 12 THAT, DRIVEN BY THEIR OWN NEEDS, HAVE PUT TOGETHER
- 13 NIH-FREE SPACE. AND I THINK WE HAVE THE OPTION. SO
- 14 THIS ALL CAME UP BY THE QUESTION OF WOULD WE REIMBURSE
- 15 PEOPLE OUT OF THE MONEY THAT WE GIVE FOR WORK THAT'S
- 16 DONE PREVIOUSLY. I THINK EVERYBODY HAS AGREED THAT'S A
- 17 VERY SLIPPERY SLOPE. YOU CAN'T -- IT'S OUT OF YOUR
- 18 CONTROL THEN. AND SO THE QUESTION THEN ARISES, IF A
- 19 UNIVERSITY OR A RESEARCH INSTITUTION HAS DECIDED THIS
- 20 IS SO IMPORTANT, THEY'VE ALREADY SPENT THEIR OWN MONEY
- TO BUILD SOME NIH-FREE SPACE, NOW WE OFFER A GRANT,
- 22 WE'RE NOT GOING TO REIMBURSE THEM FOR WHAT THEY'VE
- 23 ALREADY SPENT, BUT THEY SAY WE'D LIKE TO TAKE YOUR
- 24 GRANT AND EXPAND THE SPACE. AND SO THEN CAN WE TAKE
- 25 WHAT WE'VE ALREADY DONE AND COUNT THAT AS PART OF THE

- 1 MATCH? THAT WOULD BE THE -- JUST THINKING ABOUT THE
- 2 RENOVATIONS NOW, THAT WOULD BE THE ISSUE.
- I THINK WHEN YOU GET TO A BUILDING, IT'S ALSO
- 4 GOING TO BE -- I WOULD BE VERY WARY ABOUT PUTTING
- 5 SOMETHING IN PLACE NOW WHEN, AS JEFF SAYS, WE HAVEN'T
- 6 REALLY THOUGHT THIS THROUGH. AND THE STRATEGIC PLAN IS
- 7 GOING TO MAKE SOME GENERAL RECOMMENDATIONS ABOUT SORT
- 8 OF THE NEEDS AND POSSIBILITIES. THIS IS TRUE FOR EVERY
- 9 CATEGORY WE HAVE. THAT'S A SORT OF START. THEN WE
- 10 COME BACK TO THE ICOC THROUGH THIS COMMITTEE ACTUALLY
- 11 AND TALK ABOUT LET'S NOW PUT TOGETHER A REAL RFA FOR
- 12 LARGE-SCALE FACILITIES. HOW ARE WE GOING TO DO IT?
- 13 AND THEN WE CONSIDER ALL THESE ISSUES, AND WE DO IT IN
- 14 THE CONTEXT, AS JEFF SAID, OF KNOWING EXACTLY WHAT WE
- 15 WANT, WHAT THE POSSIBILITIES ARE, AND THEN WE CAN FILL
- 16 IT IN THERE.
- 17 MR. KLEIN: THEN WE'RE TOO LATE.
- 18 MR. SHEEHY: BUT THE POINT I WOULD MAKE IS
- 19 THAT THOSE PEOPLE ALREADY INVESTING HAVE OBTAINED A
- 20 COMPETITIVE ADVANTAGE IN TERMS OF COMPETING FOR OUR
- 21 GRANTS, AND THEY'LL GET A RETURN THROUGH THE 75-PERCENT
- 22 INDIRECTS THAT THEY'RE GOING TO GET THROUGH THE GRANT
- 23 BECAUSE THEY'LL GET MORE GRANTS.
- MR. KLEIN: MANY CASES --
- MR. SHEEHY: THEY'RE GETTING AN ADVANTAGE

- 1 BECAUSE THEY ALREADY HAVE SPACE. WHEN THEY SUBMIT
- 2 GRANT APPLICATIONS, THEY'RE GOING TO BE IN A MUCH MORE
- 3 ADVANTAGEOUS POSITION BECAUSE THEY RECRUITED
- 4 SCIENTISTS, BECAUSE THEY HAVE SPACE TO WORK AT, AND
- 5 THEY'LL RECOVER SOME OF THE COST THAT THEY'VE INVESTED
- 6 IN THAT THROUGH THE INDIRECTS THEY'RE GOING TO GET OFF
- 7 OUR GRANTS.
- 8 MR. KLEIN: MANY CASES, WHEN YOU GO TO A
- 9 DONOR, ONE OF THE REASONABLE QUESTIONS YOU WOULD BE
- 10 ASKED IS YOU'RE SAYING TO THE DONOR YOU WANT TO USE
- 11 THIS MONEY ARCHITECTURAL ENGINEERING IN ORDER TO GET A
- 12 PROPOSAL. AND YOU SAY YOU CAN'T GUARANTEE YOU'RE GOING
- 13 TO WIN THE PROPOSAL. AND THE DONOR WILL SAY, "WELL, IF
- 14 YOU ARE SUCCESSFUL, DOES MY MONEY COUNT?" IT'S A
- 15 REASONABLE QUESTION. YOU HAVE JUSTIFY IT TO
- 16 COMMITTEES, WITHIN INSTITUTIONS, TO DONORS. IT'S TOO
- 17 LATE TO WAIT TO WHEN WE PUT OUT AN RFA.
- DR. HALL: THESE BUILDINGS, BOB, AS WE HEARD
- 19 THIS MORNING, TAKE A LONG TIME. SO THEY ALREADY HAVE
- 20 LINED UP, IN MANY CASES, PARTIAL DONOR SUPPORT FOR THE
- 21 BUILDINGS. AND SO THE QUESTION IS HOW YOU'RE GOING TO
- 22 DO IT IF YOU DON'T GET THE CIRM MONEY. BUT I THINK
- THERE'S NO DOUBT, FOR EXAMPLE, IF A UNIVERSITY OR A
- 24 RESEARCH INSTITUTION WERE GOING TO PUT UP A BUILDING OR
- 25 A WING, WE WOULD PUT IN PART OF THE MONEY. THEY'RE

- 1 TRYING TO RAISE OTHER MONEY OUT THERE NOW. AND I THINK
- 2 THE WHOLE -- WE CERTAINLY WOULD NOT -- JUST THE CASE WE
- 3 TALKED ABOUT THIS MORNING, I CAN'T IMAGINE THAT WE
- 4 WOULD SAY THAT THE MONEY THAT MR. BROAD HAS ALREADY
- 5 DONATED TO USC WOULD NOT COUNT TOWARDS UNIVERSITY
- 6 MATCH. OF COURSE, IT WOULD, ALTHOUGH IT'S BEEN DONE
- 7 BEFORE.
- 8 I DON'T MEAN TO PICK THAT ONE. IT JUST CAME
- 9 UP TODAY, BUT WE KNOW OF OTHER EXAMPLES THAT ARE GOING
- 10 TO BE LIKE THAT. I DON'T SEE THAT IT'S A PROBLEM.
- 11 MR. KLEIN: THAT'S THE KIND OF GENERAL
- 12 GUIDANCE THAT I'M TALKING ABOUT. I'M NOT TALKING ABOUT
- 13 HAVING THIS ALL WORKED OUT AS TO EACH RFA EXACTLY WHAT
- 14 IT IS THAT COUNTS. BUT AS A GENERAL MATTER, FUNDS THAT
- 15 ARE BEING ADVANCED IN GOOD FAITH FOR ESSENTIAL COST TO
- 16 ADVANCE THE ARCHITECTURE AND ENGINEERING TO CREATE THE
- 17 ESSENTIAL NUMBERS TO HAVE A RESPONSIBLE PROPOSAL WOULD
- 18 BE SOMETHING WE WANT TO ENCOURAGE.
- MR. KASHIAN: MR. CHAIRMAN, IT SEEMS TO ME
- 20 LIKE WE'RE STEPPING OVER THE DOLLARS TO PICK UP THE
- 21 PENNIES. THE JOB OF THIS COMMITTEE, AS A
- 22 GENERALIZATION, AS I SEE IT, IS TO GET THE MAXIMUM
- 23 AMOUNT OF MONEY TO THE MEDICAL RESEARCHERS, THE BEST
- 24 AND BRIGHTEST IN THE STATE, AND WORRY ABOUT WHETHER
- 25 SOMEBODY IS GOING TO ABUSE THE SYSTEM BY GETTING SOME

- 1 MONEY HE'S NOT ENTITLED TO IN A VERY SMALL AMOUNT. I
- THINK OUR JOB IS TO ASSIST THE ICOC COMMITTEE. AND I
- 3 APPLAUD ALL OF, ROBERT ESPECIALLY, AND YOUR EFFORTS
- 4 TOWARD THAT END.
- 5 I BELIEVE SINCERELY THAT THE SYSTEM IS NOT
- 6 PERFECT AS IT EXISTS, BUT WE HAVE TO CORRECT IT AS WE
- 7 GO. BUT KEEP IN MIND THAT WE NEED TO GET THE BEST AND
- 8 BRIGHTEST RESEARCHERS IN THIS STATE OR IN THIS WORLD
- 9 AVAILABLE TO HELP MANKIND.
- 10 CHAIRMAN DOMS: DON.
- 11 MR. REED: THIS STRIKES ME TO BE LIKE THE
- 12 BAN'S. THE PEOPLE THAT GAVE MONEY FOR THE -- LOANED
- MONEY FOR THE BAN'S DID SOMETHING WONDERFUL, WHICH THEY
- 14 BELIEVED IN. THE COLLEGES ARE GOING TO BE DOING
- 15 SOMETHING THAT THEY BELIEVE IN, WHICH THEY'RE GOING TO
- 16 NEED DOWN THE ROAD, WHICH WE'RE GOING TO BE AROUND FOR
- 17 A LONG TIME, AND NIH IS GOING TO BE AROUND FOR A LONG
- 18 TIME, BUT I DON'T THINK SHOULD GUARANTEE ANYTHING. LET
- 19 THEM DO WHAT IS RIGHT. THIS IS RIGHT THAT THEY SHOULD
- 20 DO THAT, BUT WE SHOULD NOT TIE OUR HANDS AND GUARANTEE
- 21 ANYTHING. SAY THERE'S A POSSIBILITY, BUT THIS IS
- 22 SOMETHING GOOD THAT YOU SHOULD DO. YOU THINK IT'S
- 23 GOOD, DO IT.
- 24 CHAIRMAN DOMS: I THINK THAT'S WHAT WE'RE
- 25 SAYING BASICALLY.

- 1 MR. KLEIN: WHAT ARE WE SAYING HERE
- 2 BECAUSE --
- 3 CHAIRMAN DOMS: WELL, IT SEEMS TO ME --
- 4 MR. KASHIAN: I THINK WE'RE SAYING THAT THE
- 5 GRANT MONEY SHOULD BE USED FOR THE PRELIMINARY WORK AS
- 6 WELL AS THE ACTUAL WORK LONG TERM.
- 7 MR. KLEIN: GIVING THEM CREDIT FOR MATCHING.
- 8 CHAIRMAN DOMS: GIVING THEM CREDIT, I THINK,
- 9 IS WHAT BOB --
- 10 MR. KLEIN: GIVING THEM CREDIT FOR A MATCHING
- 11 FUND.
- 12 CHAIRMAN DOMS: I AGREE WITH JEFF. I THINK
- 13 THE STRATEGIC PLAN, THE GOAL OF THE STRATEGIC PLAN, TO
- 14 ME, IS TO PROVIDE THE HIGHEST LEVEL OF RESEARCH FOR THE
- 15 HIGHEST BENEFITS. AND HOW DO WE DO THAT? AND
- 16 FACILITIES IS ONE AREA THAT HELPS US REACH OUR GOAL.
- 17 BUT I THINK BOB'S CONCERN IS LET'S GET
- 18 SOMETHING GOING NOW. LET'S MAKE SURE THAT PEOPLE WHO
- 19 WANT TO MOVE IN THAT DIRECTION WILL KNOW THAT THE MONEY
- 20 THAT THEY'RE SPENDING WILL COUNT AGAINST THE MATCHING
- 21 COMPONENT OF OUR GRANT WITH NO GUARANTEES.
- MR. KLEIN: WITH NO GUARANTEES.
- MR. SHEEHY: I JUST FEEL LIKE WE'RE
- 24 HANDCUFFING OURSELVES INTO, LIKE, ENCOURAGING A LOT OF
- 25 PEOPLE TO DO A LOT OF THINGS. ONE OF THE THINGS THAT

- 1 CAME OUT IN THE INDUSTRY SCIENTIFIC -- WHEN THE
- 2 INDUSTRY -- WE HAD THE PEOPLE FROM -- YOU KNOW, WAS TO
- 3 CREATE CENTERS OF EXCELLENCE. I'M NOT SURE HOW A REAL
- 4 FOCUS ON CREATING CENTERS OF EXCELLENCE WOULD MATCH
- 5 WITH WHAT YOU'RE TALKING ABOUT HERE, WHICH IS TO
- 6 ENCOURAGE EVERY INSTITUTION TO GO OUT TO THEIR DONORS
- 7 AND BUILD THEIR OWN FACILITY IN THE HOPE THAT THEY
- 8 SCORE BIG WITH US.
- 9 I THINK WITHOUT SOME CLEAR GUIDANCE FROM THE
- 10 ICOC THROUGH THE ADOPTION OF A SCIENTIFIC PLAN WITH
- 11 SOME DIRECTION WHERE WE'RE GOING TO GO WITH FACILITIES,
- 12 I THINK ENCOURAGING EVERYBODY TO GO OUT AND RAISE ALL
- 13 THE MONEY THEY CAN, KNOWING THAT THEY CAN BE SET ASIDE,
- 14 WILL PUT PRESSURE ON US AS THE ICOC TO APPROVE A
- 15 BUILDING FOR EVERYBODY THAT'S GONE TO THEIR DONORS. IT
- 16 WILL PUT PRESSURE ON OUR STRATEGIC PLAN TO FOLLOW THAT
- 17 PATH. AND I HAVEN'T HEARD ANYTHING THAT NECESSARILY
- 18 SUGGESTED THAT HAVING A LOT OF CENTERS UP AND DOWN THE
- 19 STATE FOR STEM CELL RESEARCH IS NECESSARILY THE BEST
- 20 WAY TO GO.
- 21 MR. KLEIN: JEFF --
- MR. KASHIAN: BEAR IN MIND, AT BEST, AT BEST,
- 23 IF SOMEBODY STARTS TO COMMENCE WHATEVER IT TAKES TO
- 24 BUILD A NEW FACILITY FROM SCRATCH, YOU'RE LOOKING AT A
- 25 MINIMUM OF THREE TO FOUR YEARS JUST TO OPEN THE DOORS.

- 1 SO WHAT IS IT WE'RE TRYING TO ACCOMPLISH? AS I
- 2 UNDERSTAND IT NOW, WHAT WE'RE TRYING TO ACCOMPLISH IS
- 3 TO GET THOSE PEOPLE THAT ARE WILLING TO USE EXISTING
- 4 FACILITIES IN SOME WAY TO GET STARTED WHEN WE'RE TRYING
- 5 TO GET INTO THE BIG PICTURE. THE QUESTION BECOMES IS
- 6 HOW MUCH ARE YOU GOING TO GIVE A LARGE FACILITY? WHERE
- 7 IS IT GOING TO BE? AND TO DECIDE IN ADVANCE WHAT A
- 8 SCIENTIFIC MIND FEELS IS THE RIGHT THING TO DO, I DON'T
- 9 THINK IS THE RIGHT THING TO DO. I THINK THAT WE HAVE
- 10 TO LEAVE IT TO THE SCIENTISTS TO FIGURE OUT WHAT THEY
- 11 WANT AND PRESENT THEIR BEST AND BRIGHTEST IDEAS.
- MR. KLEIN: WE HEARD TODAY NUMBERS THAT ARE
- 13 CONSISTENT WITH THE NUMBERS I'VE SEEN, WHICH IS WE'RE
- 14 RUNNING AT A 10-PERCENT INFLATION RATE. IF YOU LOSE A
- 15 YEAR, YOU LOSE -- ON A \$50 MILLION FACILITY, YOU LOSE
- 16 \$5 MILLION. NOW, WITH MATCHING FUNDS OUT THERE AND THE
- 17 ABILITY OF INSTITUTIONS TO BORROW, EVEN IF OUR 300
- 18 MILLION ENDS UP BEING 600 MILLION TO THE STATE, I
- 19 ACTUALLY HOPE IT ENDS UP BEING MORE THAN THAT, ON \$600
- 20 MILLION, YOU'RE LOSING \$60 MILLION A YEAR. SO THE
- 21 EXTENT THAT YOU CAN SAY TO PEOPLE, LOOK, WE'RE NOT
- 22 GUARANTEEING ANYTHING. AND AS ED KASHIAN SAYS, WE MAY
- 23 NOT KNOW THE BEST PROPOSALS PEOPLE PUT TOGETHER IN THE
- 24 FUTURE; BUT TO THE EXTENT PEOPLE ARE PREPARED TO TAKE A
- 25 RISK AND KNOW THAT AT LEAST IF THEY ARE COMPETITIVE AND

- 1 PROVIDE THE BEST SCIENCE AND THE BEST FACILITY, THAT
- THEY CAN COUNT IT TOWARDS MATCHING FUNDS, WE'RE
- 3 CREATING AN OPPORTUNITY FOR US TO GET MUCH MORE FOR OUR
- 4 MONEY WHEN WE BUILD A FACILITY BECAUSE WE'VE SAVED A
- 5 YEAR OF THE PROCESS.
- 6 MR. SERRANO-SEWELL: I DON'T -- I APPRECIATE
- 7 BOB AND ED'S PERSPECTIVE, BUT I DON'T NECESSARILY VIEW
- 8 IT IN THOSE TERMS. I VIEW MY ROLE AS A FIDUCIARY,
- 9 CERTAIN RESPONSIBILITIES. IF I WANT TO ASK SOME
- 10 QUESTIONS, IF THE HAIRS ON THE BACK OF MY NECK ARE
- 11 COMING UP, IT'S BECAUSE I'M NOT ENTIRELY COMFORTABLE
- 12 WITH GIVING CARTE BLANCHE, WHICH PART OF YOUR
- 13 DEFINITION IS SORT OF I LIKE IT, BUT WHAT ARE ESSENTIAL
- 14 THIS, IT'S SOFT COST, DO WE COUNT IT, IS THAT WHAT THE
- 15 INDUSTRY DOES? IT DOES RAISE IN MY MIND THOSE
- 16 QUESTIONS; AND IF THEY'RE JUST NOT RELEVANT, THEN LET'S
- 17 JUST TAKE IT TO THE VOTE AND GO TO THE ICOC.
- 18 BUT I WOULD SAY THAT I WOULD NEED MORE TIME
- 19 TO THINK ABOUT IT. THESE INSTITUTIONS, THEY HAVE THEIR
- 20 OWN GENERAL COUNSEL. THEY CAN READ PROP 71. AND IF
- 21 WHAT WE'RE RECOMMENDING ISN'T A GUARANTEE, THEN WHY DO
- 22 WE HAVE TO DO IT TODAY? CAN'T WE GIVE IT SOME MORE
- 23 THOUGHT AND DELIBERATION, AND THEN COME UP WITH THE
- 24 UNDERSTANDING OF THIS 20-PERCENT MATCHING BECAUSE IT'S
- 25 OBVIOUSLY AN ISSUE IF THE INSTITUTIONS WANT SOME

- 1 GUIDANCE. THEY WANT GUIDANCE ON THE ISSUE, AND I'M
- 2 MORE THAN PREPARED TO GIVE IT TO THEM, BUT I NEED TO
- 3 KNOW SOME MORE INFORMATION.
- 4 MR. KLEIN: WHEN IS OUR NEXT MEETING?
- 5 CHAIRMAN DOMS: JANUARY.
- 6 MR. SERRANO-SEWELL: THE ISSUE HASN'T BEEN
- 7 PROPERLY FRAMED IN MY MIND BECAUSE IT'S JUST SORT OF
- 8 COMING UP TODAY. I'M NOT TRYING TO GET IN THE WAY OF
- 9 ANYTHING. I DON'T WANT TO STOP THIS. I WANT CURES
- 10 JUST AS MUCH AS THE NEXT PERSON.
- 11 MR. KASHIAN: LET ME EXPLAIN THE FACTS OF
- 12 LIFE TO YOU.
- MR. SERRANO-SEWELL: YOU'RE NOT GOING TO
- 14 EXPLAIN THE FACTS OF LIFE TO ME.
- MR. KASHIAN: IN THIS ISSUE ALL THE MAJOR
- 16 EDUCATIONAL FACILITIES HAVE HUGE ENDOWMENTS. CAPITAL
- 17 IS THE LEAST OF THEIR PROBLEMS. ARE WE NOT TRYING TO
- 18 NURTURE START-UP PEOPLE AND SCIENTISTS AND THAT KIND OF
- 19 THING? AND IN ORDER TO GET A VISION, THEY NEED TO HAVE
- 20 THE START-UP MONEY NECESSARY TO BE ABLE TO FIGURE OUT
- 21 HOW MUCH THIS THING IS GOING TO COST AND WHO'S GOING TO
- 22 DO IT. IF WE WANT TO DO BUSINESS AS USUAL --
- 23 MR. SERRANO-SEWELL: WHY SHOULD I TRUST THE
- 24 UC SYSTEM OR STANFORD OR UCLA OR USC OR ANY LARGE
- 25 RESEARCH INSTITUTION IN CALIFORNIA TO DEFINE 20 PERCENT

- 1 OR GIVE THEM SUCH A DEFINITION THAT IT'S SUBJECT TO
- 2 INTERPRETATION?
- 3 MR. KASHIAN: NO OBJECTION.
- 4 MR. SERRANO-SEWELL: WHY SHOULD I TRUST THOSE
- 5 INSTITUTIONS?
- 6 CHAIRMAN DOMS: I THINK YOU AND BOB ARE
- 7 SAYING SOMETHING DIFFERENT.
- 8 MR. KASHIAN: YOU DON'T HAVE TO TRUST ANYBODY
- 9 IF YOU HAVE EXPERT OPINION ABOUT WHAT THE COSTS ARE.
- 10 AND IF 20 PERCENT IS THE CORRECT AMOUNT, THEN MAKE YOUR
- 11 JUDGMENT BASED ON THAT INFORMATION.
- 12 CHAIRMAN DOMS: I THINK YOU AND BOB ARE
- 13 SAYING SOMETHING DIFFERENT. BOB IS SAYING WE OUGHT TO
- 14 GIVE, WHEN WE LOOK AT THE 20 PERCENT, WE OUGHT TO LOOK
- 15 AT THOSE UP-FRONT COSTS AS BEING CREDIT AGAINST THE 20
- 16 PERCENT. I THINK YOU ARE SAYING LET'S GIVE THEM SOME
- 17 MONEY SO THEY CAN GET STARTED.
- 18 MR. KASHIAN: I THINK BOTH. I THINK THAT
- 19 THOSE INSTITUTIONS THAT WANT, AS A PART OF THEIR GRANT,
- 20 THE PAPERWORK IS AS MUCH OF THE BRICKS AND MORTAR AS
- 21 ANYTHING. BELIEVE ME, THE CONSTRUCTION CONTRACT IS A
- 22 LEGAL DOCUMENT, BUT IT IS THE BRICKS AND MORTAR.
- 23 CHAIRMAN DOMS: WE DON'T WANT TO GIVE THOSE
- 24 PEOPLE THE MONEY, I THINK, TO START THE PLANNING
- 25 PROCESS. WE WANT THEM TO BE THROUGH THE PLANNING

- 1 PROCESS.
- 2 MR. KASHIAN: HOW THE FUNDS ARE DISBURSED IS
- 3 ANOTHER ISSUE.
- 4 MR. KLEIN: LET ME ASK THIS BECAUSE IT MAY BE
- 5 HELPFUL TO THIS WHOLE THING. YOU'RE SAYING, DAVID,
- 6 YOU'RE NOT COMFORTABLE WITH PUTTING IT DOWN IN WRITING.
- 7 BUT AS A CONCEPT, DO YOU HAVE ANY PROBLEM WITH GIVING A
- 8 CREDIT AGAINST MATCHING COST, ASSUMING THAT WE HAVE THE
- 9 TIME TO DEFINE IT AND --
- 10 MR. SERRANO-SEWELL: THE CONCEPT ITSELF IS
- 11 EMBODIED IN PROP 71, SO THAT'S NOT UP FOR DISCUSSION.
- 12 IT'S ALREADY -- THE 20 PERCENT, RIGHT?
- 13 MR. KLEIN: MATCHING FUNDS IS EMBODIED IN
- 14 PROP 71, BUT IT DOESN'T ADDRESS THE ISSUE OF A GENERAL
- 15 POLICY --
- MR. SERRANO-SEWELL: DEFINING IT.
- 17 MR. KLEIN: -- OF WHETHER WE WOULD GIVE THEM
- 18 CREDIT FOR EXPENDITURES.
- 19 CHAIRMAN DOMS: DOESN'T SAY FOR WHAT.
- MR. SERRANO-SEWELL: THE MECHANICS OF THAT
- 21 STATUTE ARE NOT YET WORKED OUT. THAT'S WHAT WE'RE
- 22 TRYING TO DO RIGHT NOW.
- MR. KLEIN: I'M JUST ASKING YOU, ASSUMING WE
- 24 HAVE TIME TO KIND OF LAY OUT A MORE ACUTE DEFINITION,
- 25 DO YOU HAVE ANY PROBLEM WITH THE CONCEPT OF GIVING

- 1 PEOPLE CREDIT TOWARDS MATCHING FUNDS FOR ARCHITECTURE
- 2 AND ENGINEERING?
- 3 MR. SERRANO-SEWELL: I DON'T KNOW. LET ME
- 4 FOLLOW UP BY SAYING, I'M BEING HONEST WITH YOU, I CAN'T
- 5 ANSWER THAT QUESTION. I WANT TO SAY, YES, IT MAKES
- 6 SENSE, BUT I DON'T KNOW. LET ME ALSO SAY THE FOLLOWING
- 7 TO MY COLLEAGUES AND EVERYONE ELSE. I'VE BEEN ON THE
- 8 WRONG END OF A FEW ISSUES AT THE ICOC AND AT THE
- 9 WORKING GROUPS AND HAVE BEEN A MINORITY OPINION ON MORE
- 10 THAN ONE OCCASION. I'LL BE ONE IN THE FUTURE. IF THE
- 11 WILL OF THIS WORKING GROUP IS TO PROCEED AND GIVE SOME
- 12 GUIDANCE TO THE ICOC, I'M NOT GOING TO STAND IN THE
- 13 WAY. IN OTHER WORDS, I'LL LET IT GO.
- 14 CHAIRMAN DOMS: ZACH HAS BEEN VERY QUIET AND
- 15 WANTING TO SAY SOMETHING.
- 16 DR. HALL: JUST TO SAY I THINK THAT THE
- 17 INSTITUTIONS DON'T -- HOW TO PUT IT -- INSTITUTIONS ARE
- 18 ALREADY PREPARING FOR THIS. WE'VE HEARD OFFICE OF THE
- 19 PRESIDENT IS AUTHORIZING P MONEY FOR EVEN, I THINK, THE
- 20 RENOVATIONS; ISN'T THAT CORRECT?
- MS. HOFFMAN: THAT COULD BE. SO FAR WE
- 22 HAVEN'T, BUT ABSOLUTELY.
- 23 DR. HALL: WE KNOW ANY NUMBER OF CAMPUSES
- 24 THAT ARE PLANNING BUILDINGS ALREADY. AND I THINK IT
- 25 ALMOST -- AND BECAUSE OF THE DELAYS, PEOPLE THOUGHT WE

- 1 WERE GOING TO BE GOING A LONG TIME AGO, I THINK
- 2 EVERYBODY IS VERY IMPATIENT FOR THIS. AND I DON'T -- I
- 3 THINK THE CONCEPT IS FINE. I DON'T THINK ENCOURAGEMENT
- 4 IS NEEDED TO GET PEOPLE OUT FRONT ON THIS ISSUE BECAUSE
- 5 I THINK THEY ARE MOVING. AND ALMOST ALL UNIVERSITIES
- 6 THAT WE'VE HEARD ANYTHING ABOUT ARE PLANNING BUILDINGS.
- 7 IN FACT, THEY WANT TO COME AND TELL THIS GROUP ABOUT
- 8 THE BUILDINGS THEY'RE PLANNING AND THE MONEY THEY'RE
- 9 GETTING AND ALL THE REST. I THINK, IF ANYTHING, WE
- 10 NEED TO SAY WAIT A MINUTE. HERE ARE OUR PLANS. WE'LL
- 11 GET TO THAT. AND I JUST -- I DON'T THINK -- I DON'T
- 12 THINK WE NEED TO -- WE'RE NOT NEEDED. IT'S HAPPENING
- 13 ANYHOW. THAT'S MY SENSE. I THINK THE CONCEPT IS FINE,
- 14 HOWEVER.
- MR. SHEEHY: I WAS GOING TO ECHO THAT BECAUSE
- 16 I WAS ACTUALLY GOING TO BE CONCRETE. UC IRVINE, UCSF,
- 17 UC BERKELEY, USC, UCLA, THESE ARE ALL --
- DR. HALL: UC DAVIS.
- 19 MR. SHEEHY: -- UC DAVIS HAVE COMMITTED HUGE
- 20 CHUNKS OF MONEY. SAN DIEGO AND THE CONSORTIUM. I'M
- 21 TRYING TO THINK OF WHO IS IT THAT WE'RE TALKING ABOUT.
- 22 AND I WOULD RATHER MAKE THIS POLICY IN THE CONTEXT OF A
- 23 SPECIFIC RFA, IN THE CONTEXT OF SPECIFIC PROJECTS WHERE
- 24 WE CAN ACKNOWLEDGE THESE ENORMOUS CONTRIBUTIONS THAT
- 25 PEOPLE ARE MAKING TO REALLY GET THERE OUT FRONT RATHER

- 1 THAN MAKING A POLICY THAT MIGHT ENCOURAGE SOMETHING
- 2 THAT MIGHT -- IT JUST SEEMS VERY MUDDY TO ME AND VERY,
- 3 VERY PREMATURE. PEOPLE ARE ALREADY MAKING THESE
- 4 INVESTMENTS. IT'S NOT CLEAR WHAT WE'RE TRYING TO
- 5 ACCOMPLISH.
- 6 MR. KLEIN: DO YOU HAVE A PROBLEM WITH THE
- 7 CONCEPT, IF THEY QUALIFY UNDER AN RFA, GIVING THEM THE
- 8 CREDIT FOR THE FUNDS THAT THEY EXPENDED?
- 9 MR. SHEEHY: I THINK IT SHOULD BE TIED TO
- 10 APPROVAL OF THE RFA.
- 11 MR. KLEIN: IF IT WERE, WOULD YOU HAVE A
- 12 PROBLEM THEN GIVING THEM A CREDIT?
- MR. SHEEHY: ABSOLUTELY NOT.
- 14 MR. KLEIN: I THINK THERE'S ENOUGH DISCUSSION
- 15 HERE, THAT BASICALLY THE INDIVIDUAL DISCUSSION FROM THE
- 16 MEMBERS OF THIS COMMITTEE IS REFLECTING THAT AS WE GO
- 17 DOWNSTREAM, PEOPLE DON'T HAVE A PROBLEM WITH THE
- 18 CONCEPT AS LONG AS WE GET DOWN TO FURTHER ON WITH THE
- 19 PROCESS. SO SOMEONE READING THIS TRANSCRIPT CAN LOOK
- 20 AT THE INDIVIDUAL MEMBERS AND SAY, YOU KNOW, THERE'S A
- 21 FAIRLY GOOD AGREEMENT HERE THAT ONCE WE GO DOWNSTREAM,
- 22 SUBJECT TO AUDITS AND REASONABLENESS AND DOCUMENTATION,
- 23 THAT WE'RE GOING TO GET A CREDIT. SO THIS DISCUSSION
- 24 PROBABLY IS GOING TO MEET OUR NEEDS WITHOUT HAVING TO
- 25 HAVE A FRACTURED VOTE.

- DR. WRIGHT: A SENSE OF THE GROUP.
- MR. SERRANO-SEWELL: I'LL GO ALONG WITH THE
- 3 WILL OF THE GROUP.
- 4 CHAIRMAN DOMS: DOES ANYBODY HAVE A
- 5 DIFFERENCE OF THE OPINION WITH BOB OTHER THAN THOSE WHO
- 6 HAVE ALREADY SPOKEN? OKAY.
- 7 SHALL WE MOVE ON?
- 8 DR. HALL: WANT TO TALK ABOUT FUTURE
- 9 MEETINGS?
- 10 CHAIRMAN DOMS: I DON'T KNOW WHETHER YOU HAVE
- 11 THIS. WE HAVE A PROPOSED MEETING SCHEDULE, AND WE
- 12 HAVE, VERY GENERAL, IT'S JANUARY, FEBRUARY, MARCH,
- 13 JUNE, AND OCTOBER.
- 14 MS. HYSEN: ANY DATE IN BETWEEN.
- 15 CHAIRMAN DOMS: IN EACH OF THOSE MONTHS.
- MR. KASHIAN: I ANSWERED THE E-MAIL REQUEST.
- 17 IS THAT SOMETHING IN ADDITION TO THIS?
- 18 CHAIRMAN DOMS: NO.
- MS. BECKER: THESE ARE FUTURE DATES. I
- 20 HAVEN'T PUT ANY ACTUAL DATES IN. IT'S JUST KIND OF A
- 21 GENERALIZED MONTH OF JUNE, THE MONTH OF OCTOBER, AND
- THEN I'LL SEND AN E-MAIL AND WE'LL FIGURE OUT WHICH
- 23 DATE IN THAT MONTH.
- MR. KASHIAN: I SHOULD DISREGARD THE E-MAIL
- 25 YOU SENT ME?

- 1 CHAIRMAN DOMS: NO. THAT'S FOR A SPECIFIC --
- THAT'S FOR OUR JANUARY MEETING, JANUARY AND FEBRUARY
- 3 MEETING. AND SOME OF YOU HAVE RESPONDED AND SOME HAVE
- 4 NOT. WE'RE TRYING TO GET THAT SET UP. AND I WOULD
- 5 LIKE TO AT OUR JANUARY MEETING TRY TO COME UP WITH
- 6 DATES FOR THE REST OF THE YEAR SO THAT WE CAN GET THEM
- 7 ON THE CALENDAR AND PUT OUT. IN OUR JANUARY MEETING,
- 8 ONCE WE GET THAT SCHEDULE, WE'LL GIVE YOU DATES. WE'LL
- 9 ASK YOU FOR A CALENDAR IN MARCH, JUNE, AND OCTOBER.
- 10 DR. HALL: LET ME JUST SAY THAT, FIRST OF
- 11 ALL, THIS HAS BEEN A TERRIFIC MEETING IN THE SENSE I
- 12 THINK WE MADE A LOT OF PROGRESS, AND I THINK WE'RE ABLE
- 13 TO GO AHEAD NOW WITH THE SHARED LABORATORY RFA, WHICH
- 14 IS REALLY, REALLY IMPORTANT.
- 15 I THINK YOU ALSO HAVE A SENSE FROM OUR
- 16 PRESENTATIONS THIS MORNING, FROM THE VARIOUS
- 17 DISCUSSIONS WE'VE HAD HERE, THAT AS WE MOVE FROM THIS
- 18 SORT OF BICYCLE WITH TRAINING WHEELS, THAT IS, THE
- 19 RENOVATION GRANTS, TO THE LARGE-SCALE FACILITIES, WE
- 20 HAVE A LOT OF WORK TO DO AS AN INSTITUTE AND AS A
- 21 WORKING GROUP. AND THAT WORK WILL START IN MARCH.
- THAT WILL BE A VERY, VERY IMPORTANT MEETING FOR US AS
- 23 WE BEGIN TO THINK ABOUT THE LARGE-SCALE. AND THAT WILL
- 24 BE, THEN, BEGINNING TO BUILD OUR PREPARATION FOR AN RFA
- 25 FOR FACILITIES AND LARGE-SCALE FACILITIES. AND I HOPE

- 1 BY THEN WE WILL ALSO HAVE MADE SOME PROGRESS ON THE
- 2 FACILITIES GRANTS ADMINISTRATION PROJECT. WE WILL HAVE
- 3 TO HAVE THAT DONE BEFORE WE GIVE THE MONEY OUT.
- 4 WE ARE GOING TO BE WORKING HARD TO GET ON
- 5 BOARD THE PERSONNEL, THE TECHNICAL PERSONNEL, TO BE
- 6 ABLE TO DO THIS. AND WE LOOK FORWARD TO WORKING WITH
- 7 YOU ON THESE OTHER EXCITING, CHALLENGING, AND VERY
- 8 AMBITIOUS PROJECTS WHERE WE'RE ACTUALLY TALKING BRICK
- 9 AND MORTAR AND BUILDINGS GOING UP.
- 10 MR. SERRANO-SEWELL: RUSTY DID A GREAT JOB.
- 11 (APPLAUSE.)
- 12 CHAIRMAN DOMS: I'D LIKE THANK ALL OF YOU.
- 13 ALL OF US HERE HAVE A SPECIAL REASON FOR BEING HERE, I
- 14 THINK. IN ADDITION TO WHAT WE'RE DOING HERE, WE HAVE
- 15 SOME CHALLENGES IN OUR PERSONAL LIFE THAT I THINK GIVE
- 16 US JUST THAT MUCH MORE FOCUS ON WHAT WE'RE DOING. I
- 17 THINK WE MADE PROGRESS. WE HAVE A LONG WAY TO GO. AND
- 18 THANK YOU ALL. I'M PERSONALLY LOOKING FORWARD TO
- 19 WORKING WITH ALL OF YOU. AND I THINK WE'VE GOT SOME
- 20 MOMENTUM NOW, WE'RE STARTING TO ROLL, AND HOPEFULLY
- 21 REALLY GOING TO ROLL, AND WE'LL ALL BE PROUD OF
- 22 EVERYTHING THAT WE'VE ACCOMPLISHED AS WE GO DOWNSTREAM.
- 23 AND IT'S A REAL OPPORTUNITY TO MAKE THE LIVES OF A LOT
- 24 OF PEOPLE A HECK OF A LOT BETTER DOWN THE ROAD. MAYBE
- NOT FOR US, MAYBE NOT FOR ME, BUT FOR OUR CHILDREN AND

1	FUTURE	GENERAT1	ONS.	SO THAI	NK YO	DU ALI	_ VERY MU	CH.	
2			(APP	LAUSE.)					
3			(THE	MEETING	WAS	THEN	CONCLUDE) AT	03:35
4	P.M.)								
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4	DEDORTED'S CERTIFICATE								
5	REPORTER'S CERTIFICATE								
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8	I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE								
9	FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE								
10	CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATION INDICATED BELOW								
11									
12									
13	MAYER AUDITORIUM {ADDRESS LINE 2}								
14	***, CALIFORNIA ON								
15	APRIL 13, 2005								
16	WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS								
17	THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO								
18	CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.								
19	RECORD OF THE TROCLEDING.								
20									
21									
22	BETH C. DRAIN, CSR 7152 BARRISTER'S REPORTING SERVICE								
23	1072 S.E. BRISTOL STREET SUITE 100								
24	SANTA ANA HEIGHTS, CALIFORNIA (714) 444-4100								
25	()								